

NYSE Arca Options

Market Maker and Floor Broker
Orientation Manual

Market Making

Appointment of Market Makers

Market Makers may select from among any option issues traded on the Exchange for inclusion in their Appointment, subject to the approval of the Exchange. In considering the approval of the Appointment of a Market Maker, the Exchange will consider financial resources, experience, past performance in making markets, and operational capability. The Exchange may appoint an unlimited number of Market Makers in each class. The Exchange reserves the right to limit the number of Market Makers appointed to a particular option class due to system constraints.

The number of issues a Market Maker can trade is determined by the number of Options Trading Permits (OTPs) acquired:

OTPS	ISSUES
1	100
2	250
3	750
4	All Issues

Market Makers may change the option issues that are included in their Appointment periodically, subject to the approval of the Exchange. The OTP Firm has full discretion in distributing issues among its Authorized Traders and Market Makers. However, Market Makers (including Lead Market Makers) registered on the same OTP are not allowed to trade the same issue simultaneously.

Market Makers may withdraw from trading an option issue that is within their Appointment by providing the Exchange with a three business day written notice of such withdrawal. Market Makers who fail to give an advance written notice of withdrawal to the Exchange may be subject to disciplinary action.

Quoting Obligations

Within Market Maker Appointment

All Market Makers must contribute to the maintenance of a fair and orderly market. Market Makers must honor the number of contracts associated with the quotations they have submitted to the system in all series of options classes within their Appointment. Any change to a quote (including a reduction of size) causes the quote to lose priority. The minimum size for all quotes is one contract. Neither LMMs or MMs are required to quote on the Opening Auction.

Lead Market Makers

Lead Market Maker must provide continuous two-sided quotes 90% of the time during which the Exchange is open for trading in each of their appointed issues. This obligation is applied collectively to all series for each issue in the Lead Market Maker's Appointment. Compliance will be determined on a monthly basis. The Exchange will not include in its review the duration of any periods where a technical failure on the part of the Exchange prevents the LMM from providing continuous quotations. The Exchange also retains the discretion to consider other exceptions to this continuous electronic quote obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances. Lead Market Makers may operate from on or off the floor.

Market Makers

Market Makers must provide continuous two-sided quotations 60% of all times during which the Exchange is open in each of their appointed issues. This obligation is applied collectively to all series for each issue in the Market Maker's Appointment. Although Market Makers are not required to quote in each series, the amount of time a Market Maker provides quotes in all series will be aggregated to determine compliance with the quoting obligation requirement. Additionally, compliance with the 60% quoting obligation is measured on a monthly basis.

A Market Maker may be called upon by a Trading Official to submit a single quote or maintain continuous quotes in one or more series of an option issue within its Appointment whenever it is deemed that it is necessary to do so in the interest of maintaining a fair and orderly market.

Quote Width

The spread differential (difference between the bid and offer) of Market Maker quotes may not exceed \$5. For open outcry purposes, the spread differentials shall be as follows:

BID PRICE	MAXIMUM RANGE
0 to \$1.99	\$0.25
\$2.00 to \$5.00	\$0.40
\$5.01 to \$10.00	\$0.50
\$10.01 to \$20.00	\$0.80
\$20.01 or greater	\$1.00

Trading Obligations

At least 75% of the trading activity of a Market Maker (including Lead Market Makers), measured in terms of contract volume per quarter, must be in classes within the Market Maker's Appointment.

Market Makers and Lead Market Makers may not stream quotes in issues outside their Appointment. Market Makers who wish to trade outside their Appointment may do so by using orders. Market Makers should consult their Clearing Firm for information related to margin treatment of orders vs. quotes.

When trading in issues outside their Appointment, Market Makers should not engage in transactions for an account in which they have an interest that are disproportionate in relation to, or in derogation of, the performance of their obligations with respect to the classes in their Appointment. Additionally, Market Makers should not individually (or as a group) intentionally or unintentionally, dominate the market in option contracts of a particular class.

Lead Market Maker Guarantees

LMMs will be allocated 40% of the size of an incoming order or their share in the order of ranking, whichever is greater, provided they are quoting at the NBBO prior to order entry and provided there are no Customer orders ranked ahead of the LMM. LMMs will be entitled to their 40% participation on "open outcry" trades only when present in the trading crowd and when quoting at the best price. LMM participation may be greater than 40% as a result of successful competition by means of "open outcry."

Market Maker Risk Limitations (MMRL)

NYSE Arca will maintain a “trade counter” for each Market Maker in each class within the Market Maker’s Primary Appointment. The trade counter will be incremented by one every time the Market Maker executes a trade on any series in the appointed class. The MMRL is configurable by the Market Maker and will be activated when the trade counter has reached “n” executions within one second. This counter applies to trades against Market Maker quotes only; it does not apply to trades against Market Maker orders. The minimum setting is 5 executions per second and the maximum is 100. The Exchange will automatically default the “n” setting to 50 executions per second if the Market Maker does not submit a setting. When the threshold is met, the trading engine will automatically cancel all quotes posted by the Market Maker in that class by generating a “bulk cancel” message.

Because the timer resets every second, rather than at the time of the first execution, the maximum number of trades that may occur before the bulk cancel message is generated is $2n-1$ trades over a one second period. For instance, suppose the MMRL is set to 8 executions and the first execution occurs at 0.6 seconds. Up to 6 more executions (for a total of 7) may occur before 0.99 seconds. At 1.0 seconds the counter is reset, and 8 more executions may take place over the next 0.59 seconds for a total of 15 transactions $((2 \times 8) - 1)$ before the bulk cancel message is generated.

The MMRL records separate executions against resting quotes. However, an incoming quote that executes against multiple trading interests at the same price in the Consolidated Book will be counted as a single event.

The bulk cancel message will be processed in time priority with any other quote or order message received by NYSE Arca. Any orders or quotes that are matched with the Market Maker’s quote and were received by the system prior to the receipt of the bulk cancel message will be executed. Orders or quotes received by NYSE Arca after receipt of the bulk cancel message will not be executed against the Market Maker. Once the MMRL has been activated for an option class, any bulk quote messages sent by the Market Maker on that class will be rejected until the Market Maker submits a system message to enable new quotes.

In the event that there are no Market Makers quoting in the issue, the best bid orders and best offer orders residing in the Book will be disseminated as the BBO. If there are no Market Maker quotes and no orders in the book on the bid and/or the offer, the Exchange will disseminate a bid of zero and/or an offer of zero.

Routing to Away Markets

The NYSE Arca trading system will automatically route orders to other exchanges if the National Best Bid or Offer (“NBBO”) is not available on NYSE Arca. NYSE Arca uses Archipelago Securities and private routing brokers to route orders to other market centers based on preset parameters in its automated routing algorithm. NYSE Arca may route regardless of order capacity (Customer, Firm, Customer Broker/Dealer, and Market Maker). Please note, however, that only orders are routed; quotes that lock the NBBO are not routed.

Consistent with the Options Order Protection and Locked/Crossed Market Plan, locked markets are to be avoided. If a Market Maker’s quote should lock or cross another market center’s quote, the MM should either (a) promptly unlock or uncross the market, or (b) cause an order to be sent to the away exchange in order to move the market. This may be done through a MM’s own order entry system directly to the away market, or by submitting an order to NYSE Arca to route to any markets at the NBBO. A NOW order submitted to NYSE Arca will route to any markets at the NBBO, but will not rest in the NYSE Arca book if not filled.

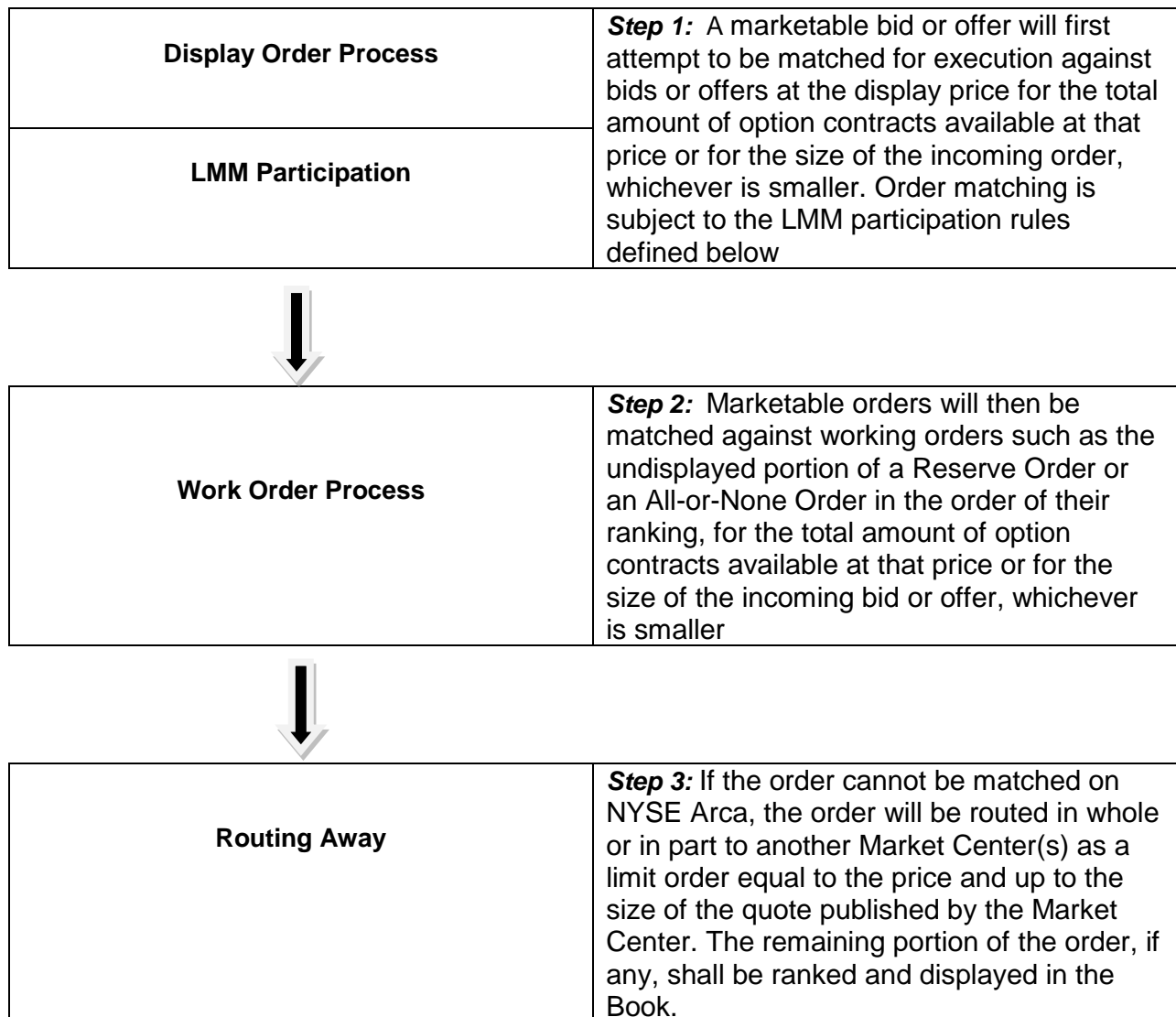
For a complete description of the rules governing routing and order protection, review NYSE Arca Rules 6.92 through 6.96 at <http://nysearcarules.nyse.com/pcx/>

Trade Allocation

Order/Quoting Ranking

Orders and quotes are treated equally and maintained in the NYSE Arca Book according to price-time priority. The Consolidated Book (except for certain working orders with conditional price or size instructions) will be displayed to all Users. Market orders and/or marketable limit orders will be matched for execution using the following algorithm. All orders executed in Step 1 or 2 must be at the NBBO, or be routed according to Step 3.

Diagram 1: Order Matching Process



If there is no LMM quoting at the NBBO in the options series, the incoming marketable bid or offer will be matched against orders and quotes in the Display Order Process base upon their price-time rankings.

Internally locked or crossed quotes trade immediately with orders or other quotes on NYSE Arca when executions are possible. The system will not delay or prevent Market Maker quotes from trading with orders or other Market Maker quotes. NYSE Arca posts and disseminates quotes that lock or cross the quotes of other options exchanges. Individual market makers are responsible for taking appropriate actions to avoid locking or crossing other exchange's markets as required by Linkage rules.

Example:

Market Orders to sell 500 entered.

Submitter Ranked in Time of Entry	Bids	Size	Execution
Broker Dealer 1 Order	1.00	200	200
Customer 1 Order	1.00	200	200
Market Maker 1 Quote	1.00	300	100
Customer Order	1.00	1000	0
Market Maker 2 Quote	1.00	400	0

- (1) Broker Dealer 1 order buys 200 (leaves 300 on incoming order) – price time
- (2) Customer 1 order buys 200 (leaves 100 on incoming order) – price time
- (3) Market Maker 1 quote buys 100 (incoming order filled) – price time

LMM PARTICIPATION in the Display Order Process

If there is an LMM quoting at the best price in the option series, the incoming marketable bid or offer will be matched against the quote of the LMM for the greater of an amount equal to 40% of the balance of the incoming bid or offer up to the LMM's disseminated quote size or the LMM's share in the order of price/time ranking. The remaining balance of the incoming marketable bid or offer will be matched against remaining orders and quotes in the Display Order Process in the order of their price/time ranking.

Market order to Sell 500 entered

Submitter Ranked in Time of Entry	Bids	Size	Execution
Broker Dealer 1 order	1.00	200	200
Market Maker 1 quote	1.00	200	100
Market Maker 2 quote	1.00	300	0
Lead Market Maker	1.00	300	200
Customer 1 order	1.00	1,000	0
Market Maker 3 quote	1.00	400	0

- (1) Lead Market Maker buys 200 (leaves 300 on incoming order) – LMM Guarantee 40%
- (2) Broker Dealer 1 order buys 200 (leaves 100 on incoming order) price time
- (3) Market Maker 1 buys 100 (incoming order filled) – price time

If there is a Customer order ahead of the LMM in time priority the LMM will not receive a guaranteed allocation. The System will process the transaction in strict price time.

Submitter Ranked in Time of Entry	Price	Size	Execution
Broker Dealer 1 order	1.00	200	200
Customer 1 order	1.00	200	200
Market Maker 1 quote	1.00	300	100
Lead Market Maker	1.00	300	0
Customer 2 order	1.00	1,000	0
Market Maker 2 quote	1.00	400	0

- (4) Broker Dealer 1 order Buys 200 (leave 300 on incoming order) – price time
- (5) Customer 1 order buys 200 (leaves 100 on incoming order) – price time
- (6) Market Maker 1 buys 100 (incoming order filled) – price time

Open Outcry – Priority and Order Allocation

The Trading Floor in San Francisco will be available for execution of orders that are not eligible for electronic trading or that a customer wishes to have negotiated. However, in order to reward fully disclosed trading interest, the NYSE Arca book, including any orders and quotes, will have priority over same priced trading interest on the floor.

A Floor Broker who wishes to cross orders at the Consolidated Book price must trade against all NYSE Arca interest at the price before crossing. Additionally, once the book has been satisfied, the Trading Crowd may not join or match the book price unless the order has not been filled in its entirety. Crosses within the OX System's market will continue to be conducted per conventional open outcry procedures.

Four manual crossing scenarios are available: Non Facilitation, Facilitation, Solicitation and Mid-point. All scenarios require that the Agency Order is executed at a price equal to or better than the NBBO, and the Floor Broker may not trade through any trading interest in the Consolidated Book.

Non-Facilitation (Regular Way) Crosses

A Floor Broker who is holding orders to buy and sell the same option contract may cross such orders, provided that he/she proceeds in the following manner:

- (1) The initiating order must be systematized in the LiquidPoint Floor Broker system. The Floor Broker must request a Final quote market for a cross, and disclose the size of the cross. The floor Broker must make the Trading Crowd and the Trading Official aware of the request for a market.
- (2) Bid above the highest bid or offer below the lowest offer in the crowd by at least the MPV. This is the cross price.
- (3) If the cross price is inside the Final Quote market, the Floor Broker may cross the entire order. If the cross price is equal to the Final Quote bid or offer, the Floor Broker must trade with all previously announced trading interest at that price, and then may cross the balance, if any.
- (4) After crossing the orders in the crowd, the broker sends the initial trade, then hits resend button, switches the ticket from buy to sell and selects Targeted Response to indicate a cross with himself.

Facilitation Crosses

Floor Brokers holding a customer order (“Agency Order”) of 50 contracts or more and a contra order for the proprietary account of an OTP Holder/Firm (or an organization under common control with a Market Maker) that is representing that customer (the “Facilitation Order”) may cross those orders. The proprietary account must be willing to facilitate the entire size of the Agency Order.

All executions against the Agency Order must be on or better than the NBBO.

- (1) The Agency Order must be systematized into the LiquidPoint Floor Broker system.
- (2) The Agency Order must be represented in the Trading Crowd by open outcry. Members of the Trading Crowd will be given a reasonable time to respond.
- (3) If there are members of the Trading Crowd willing to execute the *entire size* of the Agency Order at an improved price, the Facilitation Order may participate in at least 40% of the Agency Order at the improved price. Thereafter, the Trading Crowd members may participate in the balance of the Agency Order based upon price-time priority.
- (4) If the entire Agency Order cannot be executed with the available size in the Trading Crowd at an improved price, the 40% of the available size of the Agency Order will be executed against the Facilitation Order, after better priced interest is matched against the Agency Order.
- (5) If, at the time of execution, there is sufficient size to execute the entire Agency Order at an improved price, the Agency Order will be executed at the improved price. Customer orders will be executed first, followed by Non-Customer orders in time priority.

The availability of the Facilitation Procedure does not alter an OTP Firm’s best execution duty. Should a firm cancel a Facilitation Order when there was a superior price available on the Exchange and subsequently re-enter the Facilitation Order at the same price after the better price was no longer available, there would be a presumption that the Firm did so to avoid execution of its Customer Order at the better price.

Solicited Order Crosses

A Floor Broker who holds an order for a customer of an OTP Holder or OTP Firm (the "Original Order") may solicit an opposing side for such order (the "Solicited Order"). The Solicited Order shall be entitled to priority of execution on the Original Order, provided the following criteria are met.

- (1) The Orders must be systematized into the LiquidPoint Floor Broker system.
- (2) The Original Order shall first be represented in the Trading Crowd by open outcry. The Original Order must remain active in the Trading Crowd during the entire solicitation process. If a Floor Broker announces an original order in the trading crowd, and then steps out of the trading crowd to solicit interest, but continues to be within hearing distance, the Floor Broker need not re-announce the original order upon returning to the trading crowd.
- (3) Members of the Trading Crowd will be given a reasonable time to respond with the prices and sizes at which they would be willing to participate in the execution of the Original Order.
- (4) If at the time of execution there is insufficient size to execute the entire Original Order at an improved price (or prices), the Original Order will be executed against the Solicited Order at the proposed execution price.
- (5) If at the time of execution there is sufficient size on the Exchange to execute the entire Original Order at an improved price (or prices), the Original Order will be executed at the improved price(s), provided the execution price is equal to or better than the best bid or offer on the Exchange (and on or better than the NBBO), and the Solicited Order will be cancelled. The aggregate size of all orders and quotes at each price will be used to determine whether the entire Original Order can be executed at an improved price (or prices).
- (6) When executing the Original Order against bids or offers in accordance with paragraph (3) above, or at an improved price in accordance with paragraph (4) above, Customer orders will be executed first. Non-Customers participate in the execution of the Original Order based upon time priority as determined by the Floor Broker.
- (7) "Solicited" must be entered in the "Optional Data" field of the LiquidPoint order ticket.

Opening Auction

The system will begin accepting quotes and orders for inclusion in the Opening Auction process at 3:30 a.m. Eastern Time each trading day. The Opening Auction is a process whereby trading is initiated in each series. Contingency Orders will not participate in the Auction Process. Any eligible open orders residing in the Book from the previous trading session (GTC's) will be included in the Opening Auction. After the primary market for the underlying security disseminates the opening trade and a logical bid/ask market, the related option series will be opened automatically based on the following:

- (1) Time is equal to or greater than 9:30 a.m. Eastern Time.
- (2) The combination of MM quote bids and offers in the system and bids and offers received from OPRA resulted in a "legal width" quote.

Once these requirements have been met, the system determines the price at which a particular option series will be opened.

Orders and quotes in the system will be matched up with one another based on price-time priority. To determine the opening price in a series, upon receipt of the first consolidated trade of the underlying security, the system will check for an OPRA NBBO market or an NYSE Arca BBO. If OPRA NBBO market is present, NYSE Arca will base the opening auction price on the better of the OPRA NBBO market or the internal NYSE Arca BBO. NYSE Arca will generate an opening trade if possible or open a series on the quoted market. NYSE Arca then will send the BBO quote to OPRA.

The opening price is determined as the price at which the most volume can be traded, within the auction parameter.

- (1) The opening prices must be within a configurable parameter based on:
 - a. The Best Bid (MM quotes only) or a National Best Bid
 - b. The Best Offer (MM quotes only) or a National Best Offer
- (2) In the case of crossed markets on NYSE Arca and no OPRA quote, parameters to either side of *the inverted market* will be used. e.g. 1.20 - 1.00 yields parameter based on 1.20 for buy imbalances and 1.00 for sell imbalances. If no auction occurs, no opening trade will be reported to OPRA.

For cases when no buy or sell imbalance exists and an auction will occur, the opening price of a series will be the price at which the greatest number of contracts will trade at or nearest to the midpoint of the initial NBBO disseminated by OPRA, if any, or at or nearest to the midpoint of the best quoted bids and offers in the Consolidated Book. The same process will be followed to reopen an option class after a trading halt.

Description of Post Auction “Sweep”

Orders and quotes in the Book that were not executed during the Auction Process will be eligible for the Core Trading Session immediately after the conclusion of the Auction Process. Unmatched marketable orders and Market Maker quotes will “sweep” through the Book, with collar protection in place to prevent executions based against orders and quotes priced outside a configurable parameter, and will be executed in price/time priority. If the best price is at an away Market Center(s), orders will be routed away to the relevant Market Center(s).

Penny Pilot Trading

Introduction

The Penny Pilot was approved by the Securities and Exchange Commission and launched on January 26, 2007. It provides for trading options in penny increments in certain issues, previously only nickel increments were allowed. With the introduction of this trading increment, NYSE Arca introduced changes to its market and pricing models.

Post/Take Pricing

The Post/Take pricing model in Penny Pilot issues is designed to reward liquidity providers and tighten spreads. Those who provide liquidity (resting quotes or orders that are filled) receive a credit; those who take liquidity pay a transaction fee. These rates apply to electronic trades only and no other transaction or marketing fees are applied.¹

Execution Type	Post	Take
Customer	\$0.25 credit	\$0.45
Broker Dealer	\$0.25 credit	\$0.45
Market Maker	\$0.25 credit	\$0.45

Currently, there is no Lead Market Maker in QQQQ or IWM. Thus, execution priority in these issues is based strictly on price and time priority.

¹ Rates are subject to change.

Quote Mitigation

NYSE Arca's quote mitigation policy is based on the premise that quotes in inactive series are less valuable than those in active series. Active options series are defined as the following:

- The series has traded on any options exchange in the previous 14 calendar days; or
- The series is solely listed on NYSE Arca; or
- The series has been trading 10 days or less; or
- The Exchange has an order in the series

Series that fall outside of these categories are deemed inactive, and the Exchange collects and processes quotes internally but does not disseminate the quotes to OPRA. If a trade occurs in the series on any exchange or if NYSE Arca receives an order or request for a quote, then the series is activated and quote dissemination is resumed. This policy applies to all multiply issues listed on the Exchange, not just issues included in the Pilot Program.

Additional details on the mitigation plan can be found at

<http://www.nysearca.com/regulation/filings.asp>

Obvious Errors

Description

The Exchange shall either bust a transaction or adjust the execution price of a transaction that results from an Obvious Error, as defined herein. An Obvious Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price Minimum Amount	
Below \$2	.25
\$2 to \$5	.40
Above \$5 to \$10	.50
Above 10 to \$20	.80
Above \$20	1.00

The Theoretical Price of an option is determined as follows:

- A. If the series is traded on at least one other options exchange, the last bid price with respect to an erroneous sell transaction and the last offer price with respect to an erroneous buy transaction, just prior to the trade, disseminated by the competing options exchange that has the most liquidity in that option; or
- B. If there are not quotes for comparison purposes, as determined by designated personnel of the Exchange.

If a Market Maker believes that it participated in a transaction that was the result of an Obvious Error, it must notify the Exchange within five minutes of the execution. If an OTP Holder or OTP Firm not serving as a Market Maker believes that an order it executed on the Exchange was the result of an Obvious Error, it must notify the Exchange within twenty minutes of the execution. With few exceptions, the Exchange will not grant relief unless notification is made within the prescribed time periods.

Customers must notify the Exchange within 20 minutes of the trade if they believe an execution was part of an obvious error. They have until 4:30 PM Eastern time to notify the Exchange of possible obvious errors on the opening auction.

If it is determined that an Obvious Error has occurred, the Exchange shall promptly notify both parties to the trade. When each party to the transaction is a Market Maker, the execution price of the transaction will be adjusted by the Exchange to the prices described below unless both parties agree to adjust the transaction to a different price or agree to bust the trade within ten minutes of being notified by the Exchange of the Obvious Error.

Erroneous buy transactions will be adjusted to their Theoretical Price plus \$.15 if the Theoretical Price is under \$3 and plus \$.30 if the Theoretical Price is at or above \$3.

Erroneous sell transactions will be adjusted to their Theoretical Price minus \$.15 if the Theoretical Price is under \$3 and minus \$.30 if the Theoretical Price is at or above \$3.

When at least one party to the transaction is not a Market Maker, the trade will be busted unless both parties agree to an adjustment price for the transaction within thirty minutes of being notified by the Exchange of the Obvious Error.

Review Procedures – Parties to obvious errors may request that the Obvious Error Panel ("OE Panel") review decisions made by the Exchange including whether an obvious error occurred and whether the correct action was implemented. The OE Panel will be comprised of the NYSE Arca Chief Regulatory Officer ("CRO"), or a designee, and a representative from two (2) different OTP Firms. One representative on the OE Panel will be from a Market Maker Firm and one representative will be from a public customer order sending Firm. The OE Panel may overturn or modify an action taken by the Exchange under this Rule and all determinations shall constitute final action. If the OE Panel votes to uphold the decision the Exchange will assess a \$500.00 fee against the party or parties who initiated the request for appeal.

Order Types

NYSE Arca Order Types

Order Types	Descriptions
All or None (AON)	A Limit Order that is to be executed in its entirety or not at all. Non-marketable AON orders will rest in the working book but not be displayed. AON orders will not route to other exchanges.
Day Order	An order to buy or sell which, if not executed, expires at the end of the day on which it was entered. All orders by their terms are Day Orders unless otherwise specified.
Opening Only Order	A Market or Limit order that is to be executed only during the opening auction. Any remaining portions of the order are automatically cancelled at the end of the auction.
Fill or Kill (FOK)	A Market or Limit Order that is to be executed in its entirety on NYSE Arca as soon as the order is received, and if not so executed is to be cancelled. FOK orders will not route to other exchanges.
Good till Cancelled Order (GTC)	An order to buy or sell that remains in force until the order is filled, cancelled or the option contract expires. GTC Orders will be cancelled in the event of a corporate action that results in an adjustment to the terms of the option contract.
Immediate or Cancel (IOC)	A Market or Limit Order immediately executed, in whole or part on NYSE Arca, with the unexecuted amount cancelled. IOC orders are not routed to other exchanges.
Limit	Marketable Limit Orders that cannot be filled in their entirety at the NBBO on NYSE Arca will be routed to other exchanges. Any unfilled portion of the order will not be routed to the next best price level until all quotes at the current best bid or offer are exhausted. If the order is no longer marketable it will be ranked in the NYSE Arca Book.
Market	An order to buy or sell a stated number of contracts that is to be executed at the best price obtainable when the order reaches NYSE Arca. If the order cannot achieve the NBBO on NYSE Arca, it will be routed to other exchanges.
NOW	A Market or Marketable Limit Order that is to be executed in whole or in part on NYSE Arca and any unexecuted portion will be routed to other exchanges for immediate execution. Any portion not immediately executed by the other exchange shall be cancelled. If a NOW Order is not marketable when it is submitted to NYSE Arca, it will be cancelled.

WAIT Order	An order modifier that will allow a firm interested in facilitating their customer orders to enter both an agency order and a facilitation WAIT order at the same time. The WAIT modifier ensures the agency order is exposed for 1 second prior to allowing the facilitation order to interact with it to ensure compliance with the exposure requirements of Exchange rules.
Post No Preference (PNP)	A Limit Order that is to be executed in whole or in part on NYSE Arca. Any portion not executed is posted in the NYSE Arca Book without routing any portion of the order to another exchange. PNP Orders that would lock or cross the NBBO will be cancelled.
Post No Preference Blind (PNP B)	The PNP B order are limit orders that do not route. If upon receipt, a PNP Blind order locks/crosses an away market: it will first trade any available size at the NBBO (National best Bid or Offer) on NYSE Arca and then go blind, rather than cancel back to the firm. It will never route out and remains blind until the NBBO unlocks. While blind, if a contra sided order arrives at NYSE Arca, the PNP B will still receive a posting credit. Once posted and disseminated, the PNP Blind order will stand its ground and not go blind under any circumstance.
Post No Preference Light Only (PNP LO)	PNP LO orders do not route. If NYSE Arca is not at the NBBO upon receipt of PNP LO, the order cancels back to the firm. PNP LO orders also cancel if the order is marketable against any interest that is not disseminated to OPRA, e.g. resting PNP B orders (if PNP B is in blind state), or the nondisplayed portion of reserve orders. Non-marketable PNP LO orders will post to book and follow standard order processing.
Post No Preference Plus (PNP+)	PNP + for complex orders designed to provide the sender the opportunity for price improvement over the screen markets. A PNP + order type will allow clients to send complex orders in all issues and it includes both options only and options with stock orders.
Reserve	A Limit Order with a portion of the size displayed and with a reserve portion of the size that is not displayed on NYSE Arca.
Tracking Orders	Tracking Orders are undisplayed limit orders that are eligible for execution after volume in the Display Order Process has been exhausted at the NBBO price. Tracking Orders will only execute against orders that are about to route out and only against such orders when the routable quantity is less than or equal to the size of the Tracking Order. If the routable size of the contra order is greater than the size of the Tracking Order then the Tracking Order will not be executed. A Tracking Order shall not trade through the NBBO.

Adding Liquidity Only (ALO) Order	The ALO order is a limit order that is posted to the NYSE Arca book in order to add liquidity. The Order assists Users in controlling their costs. Once accepted and placed in the NYSE Arca book, ALO orders will not route to away market centers. The ALO order shall be Day Only, and may not be designated as Good Till Cancel (GTC).
Stop	A Stop Order becomes an active Market Order when the stop price is reached. A Stop Order to buy is triggered when the option is bid on NYSE Arca or trades on NYSE Arca (or any exchange) at or above the specified stop price. A Stop Order to sell is activated when the option is offered on NYSE Arca or trades on NYSE Arca (or any exchange) at or below the specified stop price. Order execution is fully automated.
Stop Limit	A Stop Limit Order becomes an active Limit Order when the stop price is reached. A Stop Limit Order to buy is triggered when the option is bid or trades on NYSE Arca (or any exchange) at or above the specific stop price. A Stop Limit Order to sell becomes a Limit Order when the option is offered or trades on NYSE Arca (or any exchange) at or below the specified stop price. Order execution is fully automated. If the active limit order is not marketable it will post in the NYSE Arca Book.
Intermarket Sweep Order(ISO) for IOC	A designation on an IOC limit order that allows the order to sweep the Book without regard to any external quotes (manual or protected).

Option Trading Permits

Description

Trading rights are granted through Options Trading Permits (OTPs). These permits entitle holders of OTPs to trade options on the options trading facilities of the Exchange, including the electronic platform and the physical trading floor. The NYSE Arca platform provides for four types of Market Participants: Lead Market Makers, Market Makers, Authorized Traders and Order Flow Providers.

Market Makers

A Market Maker is an OTP Holder or OTP Firm registered with the Exchange for the purpose of submitting quotes electronically and making transactions as a dealer-specialist. Market Makers may operate on or off the Exchange trading floor.

Lead Market Makers

Lead Market Makers (“LMMs”) are approved Market Makers deemed qualified by the Exchange for acting in such capacity. An LMM’s quoting obligation is more stringent than that of Market Makers and they receive participation guarantees in certain circumstances. Lead Market Makers may operate on or off the Exchange trading floor. Any OTP Holder/Firm registered as a Market Maker may apply to become a LMM. LMMs must maintain a minimum of cash or liquid assets of \$1 million.

Market Makers Authorized Traders

Market Maker Authorized Traders (MMATs) shall be an individual OTP Holder or officer, partner, employee or associated person of the OTP firm authorized to enter quotes and orders on the Exchange for the account of a registered Market Maker firm. MMATs must register with the Exchange and pass the appropriate Market Maker exam.

Order Flow Providers

To enter orders to the Exchange, an Order Flow firm must either acquire an OTP or become a “Sponsored Participant” by entering into an agreement with an approved OTP Holder (“Sponsoring OTP”). Sponsoring OTP Holders are broker-dealers that have been designated by a Sponsored Participant to execute, clear and settle transactions on NYSE Arca on their behalf. Authorized Traders (ATs) are individuals designated by the OTP Holders and/or Sponsored Participants to enter orders on their behalf.