



DATE: September 8, 2009 FROM: NYSE Operations
TO: NYSE and NYSE Amex Equity RE: Contingency Procedures on the Close
Members and Member Organizations

Earlier this summer, the NYSE issued a memo on contingency procedures for the Close in relation to the Russell Reconstitution. The purpose of this memorandum is to update those procedures, which apply to trading on both NYSE and NYSE AMEX, and remind members that these procedures are in effect for all trading days. In the event a systems issue could compromise the normal close, the NYSE will disseminate event updates to inform market participants of any unusual market conditions or event outages and to advise of any actions to remedy those conditions via the web at <http://traderupdates.nyse.com>, RSS and through email notifications in near real time using NYSE System Status, NMS Broadcasts, and/or Hoot & Holler broadcasts, all of which are a part of our regular communication methods for alerting our customers and other market centers to important news.

Questions on these procedures should be addressed to:

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Your firm's NYSE Relationship Manager.

Normal Market On Close/Limit on Close rules and procedures are as follows:

MOC/LOC PROCEDURES
7:30 a.m. – CCG opens and begins accepting MOC/LOC orders. ¹
3:40 p.m. – Deadline for the entry of MOC/LOC orders (except to offset a published imbalance) and the cancellation of MOC/LOC orders (except for legitimate errors – see below).
3:40 - 3:50 p.m. – Entry of MOC/LOC orders permitted only to offset published imbalances. ² Cancellation of MOC/LOC orders permitted in case of legitimate error.

¹ NYSE and NYSE AMEX Rules 123C govern the entry and execution of MOC/LOC orders. The sole difference in each market's rule is the size of the imbalance at 3:40 pm that would trigger the publication of an imbalance to the Consolidated Tape. On the NYSE, the size is 50,000 shares. On the NYSE AMEX, it is 25,000 shares. The reference in the memo to NYSE and/or Rule 123C refers to both NYSE and NYSE AMEX Rule 123C.

² On March 9, 2009, the Exchange implemented an enhancement to MOC/LOC functionality to accept only those MOC and LOC orders entered after 3:40 p.m. that are on the contra side of a published regulatory imbalance. Until that date, firms were able to use an Exchange block that rejected all MOC/LOC order entered after 3:40 p.m., regardless of which side of the market the interest was on. The enhanced functionality also enables NYSE systems to reject all cancel requests sent after 3:50 p.m. for any previously entered MOC and LOC order.



3:50 - 4:00 p.m. – Cancellation or reduction in size of MOC/LOC orders not permitted for any reason, except in compliance with NYSE and NYSE Amex Rule 123C (8)(a)(2).
4:00 p.m. – Orders are executed; market closes.
4:00 - 6:30 p.m. – Order entry for Crossing Session II.
4:44 p.m. – Order entry cut-off for NYSE MatchPoint sm .

System Interruption Contingency Scenario 1

In the event of a NYSE system interruption that occurs intraday whereby normal trading is resumed prior to 3:40 p.m. we will begin the normal Market on Close posting process (3:40 and 3:50, with some publications as early as 3:00 p.m.). There will be a normal 4:00 p.m. close time.

System Interruption Contingency Scenario 2

In the event of a NYSE system interruption that occurs intraday whereby normal trading is resumed between 3:40 and 3:50 p.m. we will begin the Market on Close posting process as close to 3:40 p.m. as possible. In this situation, there will be a normal 4:00 p.m. close time.

System Interruption Contingency Scenario 3

In the event of a NYSE system interruption that occurs intraday whereby normal trading is resumed between 3:50 p.m. and 3:59 p.m., we will bypass the normal 3:40 p.m. MOC publication and utilize a single MOC publication before the 4:00 p.m. close time, if practicable. The NYSE will reject all cancel requests sent after 3:50 p.m. except in compliance with NYSE and NYSE Amex Rule 123C(8)(a)(2). Although the closing process may extend later than the usual 4:00 p.m. close time, order delivery will stop at 4:00 p.m. Any orders queued in Exchange systems will be executed in one Closing trade as soon as possible thereafter. If order delivery to NYSE systems was significantly impeded, the NYSE may allow firms to send orders after 4:00 p.m. in order to properly participate at the Close in the event systems issues would have prevented that. The NYSE will clearly communicate the mode under which it is operating during the outage using all of the methods noted above.

System Interruption Contingency Scenario 4

In the event of an NYSE system interruption that occurs intraday whereby service will be restored after the 4:00 p.m. close time, the NYSE may not publish the customary 3:40 and/or 3:50 p.m. Market on Close information. The NYSE will notify market participants of the new close time and will price the close at or around this time. The normal 4:45 p.m. MatchPoint



cross may be delayed. The new time will be communicated to market participants via the market wide call and a system status posting.

System Interruption Contingency Scenario 5

In the event of a NYSE system interruption that occurs intraday whereby service will not be restored, the NYSE and NYSE Amex closing prices would be the last regular way trade on the NYSE and NYSE Amex, respectively.

Note on July 2, 2009 trading interruption

The NYSE followed a combination of the above procedures on July 2, including allowing continuous trading after 4:00 p.m. until the announced closing time of 4:15 p.m. for that day. Feedback from customers indicates that the overwhelming desire among customers would be to have one closing transaction when and if possible under these types of scenarios. Accordingly, the NYSE will look to establish a closing transaction after 4:00 p.m. if possible, but will update its procedures to not include continuous trading.

In the event of systems issues in the future, please look to the NYSE on guidance as to which scenario we will be following. Thank you for your confidence in the NYSE.