



FAQs

Equity Trading
November 7, 2008

NYSE Euronext completed its acquisition of the American Stock Exchange (Amex) on October 1, 2008. Post merger, the Amex SRO has been renamed NYSE Alternext US LLC and the equity business has been rebranded NYSE Alternext. We have received a number of questions regarding the NYSE Alternext equity trading business, and have compiled the most frequently asked questions. These questions are categorized into four major sections: Positioning, Technology and Connectivity, Trading Licenses, and Rules and Regulation.

1. Positioning

Question 1.1: What is the target market for NYSE Alternext?

Answer: NYSE Alternext is positioned to be the premiere market for listing and trading of small and micro cap companies. NYSE Alternext will trade all the former Amex listed equities and closed-end funds. For a list of covered securities, please visit www.nyse.com/nysealternextus.

Question 1.2: Will the NYSE Alternext maintain the Amex market structure?

Answer: There are significant changes associated with transforming Amex equities trading business into NYSE Alternext. Key changes, which are scheduled to become effective on December 1, 2008, include: Trading Systems, Next-Generation Model, Transaction Pricing, Rule Set, Operational Infrastructure, and Proprietary Data products.

Question 1.3: When will NYSE Alternext start trading?

Answer: NYSE Alternext equities are currently trading in Amex facilities at 86 Trinity Place pursuant to the Amex's AEMI rules. They are scheduled to relocate to NYSE facilities and trading platform on December 1, 2008 at which time, they will trade under new rules that are based on the current NYSE Rules.

Question 1.4: Will NYSE Alternext be a Reg NMS protected quote?

Answer: Yes. This quote is identified with participant ID of "A" in the consolidated data stream (Tape B).

Question 1.5: What order types will NYSE Alternext offer?

Answer: NYSE Alternext will support all order types supported on NYSE, including Limits, Markets, MOC, LOC, ISO, IOC – NMS, IOC – NYSE, DNS, Dot Reserve Orders, Equotes, Reserve Equotes, Do Not Display eQuotes, Dquotes, Reserve Dquotes, Gquote. New dark order

types offered in the Next-Generation Model, including DND Reserve, will also be available at NYSE Alternext.

Question 1.6: Will NYSE Alternext conduct Opening and Closing Auctions?

Answer: Yes.

Question 1.7: Will NYSE Alternext have proprietary data feeds?

Answer: Yes. NYSE Alternext will offer proprietary products including depth products similar to NYSE OpenBook and OpenBook Ultra. Please check <http://www.nyxdata.com> for more information.

Question 1.8: How can I order for the NYSE Alternext data feeds?

Answer: Please contact <http://www.nyxdata.com> for ordering information.

Question 1.9: Will NYSE Alternext be supported in the NYSE after hours crossing sessions?

Answer: NYSE Alternext symbols will participate in NYSE Crossing Session I (single stocks) and II (Portfolios), but will not participate in Crossing Sessions III and IV.

2. Technology and Connectivity

Question 2.1: What technology Platform will be used for trading NYSE Alternext equities?

Answer: NYSE systems: CCG using FCS or FIX 4.2 for access, SDOT for order database of record, DBK for trade matching, BBSS and eBroker for broker order management, etc.

Question 2.2: Can firms use the same connections they use for trading NYSE stocks to trade NYSE Alternext securities?

Answer: Yes. Response messages (Reports, Outs and Admins) in the FIX protocol will identify the executing exchange in tags 30 and 207.

Question 2.3: Can firms use the same mnemonics they use for trading NYSE stocks to trade NYSE Alternext securities?

Answer: Yes.

Question 2.4: Will Amex mnemonics be migrated to NYSE on their current CMS lines?

Answer: Current Amex mnemonics that are enabled via CMS will be automatically enabled for use on the NYSE as long as they are associated with a valid NYSE clearing firm. Certain firm flags will be defaulted with firms needing to request a different configuration. Details of this utility are being finalized and a notice will be issued later.

Question 2.5: Does CCG support routing to BBSS?

Answer: Yes.

Question 2.6: How can I order for CCG lines?

Answer: Please contact connectivity@nyx.com or 800-689-7739 for ordering information.

Question 2.7: Will Amex Badge File continue to be produced after December 1, 2008 for NYSE Alternext Options brokers?

Answer: Yes. We have negotiated with DTCC for the files to be produced through the Amex Options Relocation (currently scheduled for February 2009).

Question 2.8: Do we need to convert to CCG on December 1, 2008 for Amex integration?

Answer: No. Your firm does not need to convert to CCG just to support the Amex integration. Your firm can continue to use CMS FCS or FIX 4.2 connections to send in NYSE Alternext order flow until the end of December 2008. The only reason a firm would need to convert to CCG by December 1, 2008 would be if they had no existing CMS connection and wanted to send in NYSE Alternext order flow via the proprietary Amex FIX connections, which will be discontinued on December 1, 2008. Please note that CMS will continue to be supported for Amex options order flow until the Options Relocation (currently scheduled for February 2009).

Question 2.9: Are BBSS Drop copies supported in CCG as they are needed for Floor business?

Answer: BBSS Drop copies are supported for routed orders (routed to BBSS via CCG and CMS), but are not supported for locally entered BBSS (nor is there a short term plan to do so).

Question 2.10: Will odd lots be separated from round lots on NYSE Alternext contract sheets similar to the current NYSE process?

Answer: Yes. Odd lots will be processed separately from round lots, using current NYSE odd lot process.

Question 2.11: Will Amex clearing numbers be moved automatically to NYSE Alternext or is additional paperwork needed?

Answer: NYSE Alternext **only** clearing firms will not automatically become eligible for clearing after the relocation. Firms should contact NSCC/DTCC and NYSE to apply for NYSE clearing privileges.

Question 2.12: As part of the CCG conversion, will drop copies still receive "account" field?

Answer: If Tag 1 - "Account" field or Tag 58 - "Text" field is received on Orders, it will be present on Order Drop Copies. These Tags are optional on the report side and therefore will only be included on Drop Copies, if present on actual reports or admin responses.

Question 2.13: How will NYSE handle trades as-of 11/28/08? Will trades need to be compared in OCS or IDCE? Will we receive NYSE or Amex contracts since the trades were originally executed on the Amex?

Answer: Firms will be encouraged to clean up any open items in IDCE by close of business on Friday 11/28/08. Any NYSE clearing firm (non Amex omnibus account) can use OCS to re-enter items.

Question 2.14: Will NYSE Alternext badges be included on NYSE (109) master badge file?

Answer: Yes, transferring NYSE Alternext brokers will be assigned unique NYSE badge numbers that will be populated on the NYSE badge file.

Question 2.15: How can I register to test?

Answer: Please send an email to relationshipmgt@nyx.com detailing the CMS/CCG lines and mnemonics you plan to use on the test day, along with contact information (name, phone, email). NYSE Alternext is offering two testing opportunities in November (8th and 22nd).

3. Trading Licenses

Question 3.1: What are 86 Trinity Permits?

Answer: 86 Trinity Permits are temporary permits that enable Amex members to continue trading uninterrupted for the period between the closing of the Amex acquisition and the relocation of Amex operations to NYSE or NYSE Arca facilities, as appropriate.

Question 3.2: Will I need a new trading license to access NYSE Alternext after the relocation to 11 Wall Street on December 1, 2008?

Answer: Yes. You will need to apply before November 14th and complete the required regulatory requirements (see NYSE Alternext Notices: REG 2008-34, 2008-38, 2008-46 and 2008-52) in order to be able to access NYSE Alternext by December 1, 2008. Please contact Eileen McElduff at 212-656-8499 for details.

Question 3.3: What products will I be able to trade with my NYSE Alternext Equity Trading License?

Answer: The NYSE Alternext Equity Trading License will permit you to trade all NYSE Alternext-listed equities securities. All eligible NYSE Alternext Equities Trading License holders will also obtain an NYSE Trading License, which will permit you to trade all NYSE-listed securities. To be eligible for an NYSE Trading License, an NYSE Alternext member organization must be a FINRA member. As of the Equities Relocation, all existing NYSE Alternext member organizations that are already FINRA members will be automatically deemed approved as NYSE member organizations, and thus eligible for the NYSE trading license. If an NYSE Alternext member organization is not currently a FINRA member, but has a Floor-based business, such firms can apply to waive in to

FINRA membership under FINRA IM 1013-2. An NYSE Alternext member organization that is eligible for the FINRA waive-in membership process can begin trading NYSE-listed securities immediately upon relocating to 11 Wall Street trading facilities, so long as the firm applies for and is approved as a FINRA member organization under the FINRA 1013-2 waive-in process within 60 days of relocating operations. Information regarding the FINRA waive-in process will be provided under separate cover.

Question 3.4: If a firm is an Amex and ARCA member trading ETFs only. Will they need an NYSE Alternext license to continue trading?

Answer: No, they will only need an NYSE Arca ETP license to trade ETFs on NYSE Arca.

Question 3.5: Does a firm need a trading license for each member on the floor or is it one for the firm alone?

Answer: A firm needs a trading license for each member on the floor.

Question 3.6: How many trading licenses are needed if a firm does both off-floor and on-floor business?

Answer: The firm needs a license for each of its on-floor members.

Question 3.7: How many licenses would an off-floor firm that has many traders need?

Answer: One trading license will suffice for the off-floor firm.

4. Rules and Regulation

Question 4.1: What rule set will be used for NYSE Alternext?

Answer: The rules applicable to NYSE Alternext are modeled on existing NYSE rules 1 through 1004, with certain differences, which are described more fully in the SEC approval order (Release No. 34-58705; File No. SR-Amex-2008-63).

Question 4.2: There are different rules for “Good Till Cancel” Orders on Amex and NYSE with respect to corporate actions, cash dividends, etc. When Amex relocates to NYSE facilities what rules will be used to handle corporate actions?

Answer: GTC's on the Amex will be deleted the night before the relocation (close of business 11/28/08). Firms will not receive an 'Out' from this deletion, so if they require an 'Out', they will need to submit a cancel prior to the close. After the relocation, all corporate actions for newly entered GTC orders will be governed by NYSE rules.

Question 4.3: The Amex account types are different than the NYSE's account types. Will the Exchange extend any sort of 'no action' for use of NYSE account types for any period after the integration?

Answer: No. Firms must comply with NYSE account type rule starting on December 1st, 2008.