



NYSE Arca, Inc.

SPONSORED PARTICIPANT APPLICATION

EXPLANATION OF TERMS

For purposes of this application, the following terms shall have the following meanings:

Associated Person - a person who is a partner, officer, director, member of a LLC, trustee of a Business Trust, or employee of an OTP Firm or any person directly or indirectly controlling, controlled by or under common control with an OTP Firm.

Authorized Trader – a person who may submit orders to NYSE Arca, Inc.’s trading facilities on behalf of his or her OTP Firm or Sponsored Participant.

Clearing Member - an Exchange OTP Firm or OTP Holder which has been admitted to membership in the Options Clearing Corporation pursuant to the provisions of the Rules of the Options Clearing Corporation.

Control – (as defined on Form-BD) the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise. Any person that (1) is a director, general partner or officer exercising executive responsibility (or having similar status or functions); (2) directly or indirectly has the right to vote 25% or more of a class of a voting security or has the power to sell or direct the sale of 25% or more of a class of voting securities; or (3) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 25% or more of the capital, is presumed to control that company.

Central Registration Depository System (“Web CRD@”) – a centralized electronic registration system maintained by NASD which provides information on registered representatives and principals for members of participant organizations. This database contains employment history, exam scores, licensing information, disciplinary actions, fingerprint results, and other related registration information. NYSE Arca, Inc. (represented as “PCX”) is a participant of this system.

Designated Examining Authority (“DEA”) – the SEC will designate one Self-Regulatory Organization (“SRO”) to be a Broker-Dealer’s examining authority, when the Broker-Dealer is a Member of more than one SRO. Every Broker-Dealer is assigned a DEA, who will examine the Broker-Dealer for compliance with financial responsibility rules.

Designated Supervisor – refers to any person that is a partner, director, or officer exercising executive responsibility (or having similar status or functions) for supervising Authorized Trader(s) (“AT”) (as defined in NYSE Arca Rule 6.1A(a)(1)).

Direct Owners/Executive Officers – Allied Persons and Approved Persons, as those terms are defined by NYSE Arca Rules 1.1(b) and 1.1(c), respectively, and generally refer to (1) a director, general partner or officer exercising executive responsibility (or having similar status or function); or (2) directly or indirectly has the right to vote 5% or more of a class of voting security or has the power to sell or direct the sale of 5% or more of a class of voting securities; (3) is entitled to receive 5% or more of the net profits; (4) in the case of a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution or have contributed, 5% or more of the capital; or (5) in the case of a LLC, those members that have the right to receive upon dissolution, or have contributed, 5% or more of the LLC’s capital, and if managed by elected managers, all elected managers.

Financial Arrangement – (1) the direct financing of an OTP Firm’s dealings upon the Exchange; (2) any direct equity investment or profit sharing arrangement; or (3) any consideration over the amount of \$5,000.00 including, but not limited to, gifts, loans, annual salaries or bonuses.

NYSE Arca, Inc. (“NYSE Arca”, the “Exchange”, or the “Corporation”) – a Delaware corporation as described in the Corporation’s Certificate of Incorporation and Bylaws. NYSE Arca is a national securities exchange as that term is defined by Section 6 of the Securities Exchange Act of 1934, as amended.

OTP – an Options Trading Permit (“OTP”) issued by the Exchange for effecting approved securities transactions on the Exchange’s trading facilities. An OTP may be issued to a Sole Proprietor, Partnership, Corporation, LLC or other organization which is a registered Broker or Dealer, pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, and which has been approved by the Corporation.

OX - the Exchange's electronic order delivery, execution and reporting system for designated option issues through which orders and quotes are consolidated for execution and/or display.

Person - a natural person, corporation, partnership, limited liability company, association, joint stock company, trustee of a trust fund, or any organized group of persons whether incorporated or not.

Self-Regulatory Organization (“SRO”) - each exchange or national securities association is an SRO. Each SRO must have rules that provide for the expulsion, suspension and other discipline of member Broker-Dealers for violation of the SRO’s rules.

Sponsored Participant - a person which has entered into a sponsorship arrangement with a Sponsoring OTP Firm pursuant to Rule 6.2A.

Sponsoring OTP Firm – an approved OTP Firm with NYSE Arca that has entered into an agreement with a Sponsored Participant and agrees to be responsible for activity of such Sponsored Participant, in accordance with the rules of the Exchange, as amended.

APPLICATION PROCESS

Filing Requirements

Prior to submitting the Sponsored Participant Application, the Sponsoring OTP Firm must be an approved Options Trading Permit (“OTP”) Holder in good standing with NYSE Arca, Inc. Additionally, a Sponsored Participant that is a broker-dealer must file a Uniform Application for Broker-Dealer Registration (Form BD) with the Securities and Exchange Commission and register with the Central Registration Depository (“Web CRD®”) maintained by the National Association of Securities Dealers, Inc.

Checklist

The Sponsoring OTP Firm and the Sponsored Participant must complete and submit all applicable materials addressed in the application checklist below, along with any applicable fees to:

NYSE Arca, Inc.
Attn: Client Registration Services
115 Sansome Street, 7th Floor
San Francisco, CA 94104

Note: All application materials sent to NYSE Arca will be reviewed by NYSE Arca’s Client Registration Services Department for completeness. All applications are deemed confidential and are handled in a secure environment at NYSE Arca. NYSE Arca may request applicants to submit documentation in addition to what is listed in the Application Checklist during the application review process, pursuant to NYSE Arca Rule 2.4. If you have questions on completing the application, you may direct them to: Client Registration Services: Email: crs@archipelago.com or (415) 393-4114

Application Process

- Following submission of the Sponsored Participant Application, fees and supporting documents to NYSE Arca, Inc. (“NYSE Arca”), the application will be reviewed for accuracy, completeness, and regulatory or other disclosures. This process generally takes at least ten (10) business days.
- The Sponsoring OTP Firm and the Sponsored Participant are required to consult with an NYSE Arca Representative to determine the most beneficial connectivity option. NYSE Arca will then coordinate the connectivity between the Sponsored Participant and the Exchange.
- NYSE Arca will promptly notify the Sponsoring OTP Firm and the Sponsored Participant, in writing, of their decision.
- Once connectivity is established, your NYSE Arca Representative will inform you of your ability to trade.

DOCUMENTATION CHECKLIST

- Approved NYSE Arca Options Trading Permit (“OTP”) for Sponsoring OTP Firm
- Section 1 – Sponsoring OTP Firm Consent
- Section 2 – Sponsored Participant Consent
- Evidence of the Agreement Pursuant to NYSE Arca Rule 6.2A(c)(2)

SECTION 1 – SPONSORING OTP FIRM CONSENT

To be completed by the approved NYSE Arca OTP Holder that intends to act as a Sponsoring OTP Firm (see NYSE Arca Rule 6.2A for definition and requirements).

On behalf of the approved NYSE Arca OTP Holder, the undersigned hereby notifies NYSE Arca that it intends to act as a Sponsoring OTP Firm for the following Sponsored Participant firm:

Full Legal Name: _____ CRD No.: _____
(if applicable)

Contact Name and Title: _____

Business Address: _____

Phone: _____ Fax: _____ Email: _____

We are an OTP Holder in good standing, or hereby make application to become an OTP Holder and have been designated by the Sponsored Participant to execute, clear and settle transactions resulting on or through NYSE Arca, Inc.

We acknowledge and agree that any orders entered into NYSE Arca, Inc by the Sponsored Participant or any person acting on behalf of or in the name of the Sponsored Participant that identify us as the Sponsoring OTP Firm and any execution occurring as a result of such orders are binding in all respects on us. In that regard, we acknowledge and agree that we are responsible for all related contractual and regulatory obligations. We hereby acknowledge and agree that we are responsible for any and all actions taken by the Sponsored Participant or any person acting on behalf of or in the name of the Sponsored Participant on or through NYSE Arca, Inc.

AUTHORIZED ACKNOWLEDGEMENT OF THE SPONSORING OTP FIRM

Sponsoring Options Trading Permit Firm CRD No.

Signature of Authorized Officer, Partner, Date
Managing Member, or Sole Proprietor

Print Name Title

AUTHORIZED ACKNOWLEDGEMENT OF THE SPONSORING OTP FIRM'S CLEARING MEMBER

Signature of Authorized Clearing Member Date
Representative

Print Name Title

Clearing Member Clearing No.

SECTION 2 – SPONSORED PARTICIPANT CONSENT

On behalf of the Sponsored Participant, the undersign agrees to comply with the Exchange's Certificate of Incorporation, Bylaws, Rules and procedures with regard to the Exchange, as if Sponsored Participant were an OTP Firm. These requirements include, but shall not be limited to, the items listed below.

The Sponsored Participant:

- Shall maintain, keep current and provide to the Sponsoring OTP Firm a list of Authorized Traders who may obtain access to OX on behalf of the Sponsored Participant.
- Shall familiarize its Authorized Traders with all of the Sponsored Participant's obligations under this Rule and will assure that they receive appropriate training prior to any use or access to OX.
- May not permit anyone other than Authorized Traders to use or obtain access to OX.
- Shall take reasonable security precautions to prevent unauthorized use or access to OX, including unauthorized entry of information into OX, or the information and data made available therein. Sponsored Participant understands and agrees that Sponsored Participant is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of Authorized Traders, and for the trading and other consequences thereof.
- Acknowledges its responsibility to establish adequate procedures and controls that permit it to effectively monitor its employees, agents and customers' use and access to OX for compliance with the terms of this agreement.
- Shall pay when due all amounts, if any, payable to Sponsoring OTP Firm, the Exchange or any other third parties that arise from the Sponsored Participant's access to and use of OX. Such amounts include, but are not limited to applicable Exchange and regulatory fees.

AUTHORIZED ACKNOWLEDGEMENT OF THE SPONSORED PARTICIPANT

Sponsored Participant Firm Name

CRD No. (if applicable)

Signature of Authorized Officer, Partner,
Managing Member, or Sole Proprietor

Date

Print Name

Title