



DATE: June 17, 2009
TO: Trading Floor
FROM: Floor Operations
RE: d-Quotes on the Close / Inclusion in Closing Imbalance Product

In the current more electronic Exchange market, Floor brokers have electronic tools to remain competitive and improve their efficiency at the point of sale. On October 24, 2008, the NYSE and NYSE Amex (herein collectively referred to as "NYSE" or the "Exchange") amended Rule 70.25(a)(ii) to permit d-Quotes (e-quotes using discretion) to participate up to their maximum amount of discretion in the opening and closing transactions. This change served to replicate functionality that was lost by the Floor broker as a result of the Exchange's rescission of the CAP-DI order type.

The amendments to d-quote functionality in no way modified the NYSE's Closing procedures. Orders entered for execution on the Close -- market at-the-close ("MOC") and limit at-the-close ("LOC") orders -- must be entered consistent with Exchange Rules 116.40 and 123C. Unlike MOC and LOC orders with limit prices better than the closing price in the subject security, d-Quotes are not guaranteed an execution in the Closing transaction. Accordingly customers that require execution in the Closing transaction as part of their trading strategy must submit MOC or LOC orders consistent with Exchange Rules 116.40 and 123C. You are encouraged to review with traders and other order-entry personnel in your employ, firm policies and procedures regarding orders to be executed at or near the Close.¹

To improve the transparency of the closing process, effective Monday June 22, 2009, the NYSE Closing Order Imbalance Information will include d-Quote interest using the maximum discretionary price that could be available on the close and pegging e-Quotes at their ceiling or floor price.² Beginning at 3:55 p.m., Exchange systems will use the maximum discretionary or maximum pegged price associated with these order types to determine their inclusion in the NYSE Closing Order Imbalance Information data feed.

¹ Use of the d-Quote functionality, whether intraday or on the Close, must be in compliance with all NYSE Rules and federal securities laws. In particular, members and member organizations must ensure that their activity does not have the effect of artificially impacting the Closing price. NYSE Regulation, Inc. reviews trading in for, among other things, possible manipulative activity, including marking the Close, which may be in violation of federal securities laws and/or Exchange Rules, including Rule 10b-5 under the Securities Exchange Act of 1934("Exchange Act"), Section 9(a) of the Exchange Act, and Exchange Rules 476(a) and 435.

² The NYSE Order Imbalance Information product, a data feed of real-time order imbalances that accumulate prior to the opening and the close of trading on the Exchange, is a proprietary market data product and does not constitute a "published imbalance" pursuant to NYSE and NYSE Amex Rule 123C(5), which govern entry and cancellation of MOC/LOC orders. This enhanced data feed is available for stocks that have been migrated to SDBK. **Note:** This new functionality is available in stocks that have been migrated to SDBK The list of migrated stocks is available at: http://www.nyse.com/attachment/SDBK_SecurityRolloutList.xls



The NYSE Order Imbalance Information data feed disseminated prior to the closing transaction currently includes all market-on-close orders and limit-on-close orders eligible to participate in the closing transaction. DMM interest and Crowd interest are excluded. Prior to the closing transaction, NYSE Closing Order Imbalance Information is disseminated every 15 seconds between 3:40 p.m. and 3:50 p.m. and every five seconds between 3:50 p.m. and 4:00 p.m.

The Exchange anticipates that the inclusion of this Floor broker agency interest in the NYSE Closing Order Imbalance Information data feed will increase transparency and provide opportunities for contra-side interest to develop, thereby decreasing volatility and ultimately contributing to the maintenance of a fair and orderly market.

Questions can be addressed to:

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