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PT 125

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To: Specialist MOL Users/Specialist Clearing Firm Agents

Subject: ***New Stop Order output changes (Merged Order Log/Specialist Activity Report)***

Pending SEC approval, Stop Orders will be held in a “blind” file and will no longer be displayed to Specialists. Elections for Stop Orders will take place outside of Display Book. Upon being elected Stop Orders will be disseminated to Specialists as Market Orders, therefore Specialists will no longer be responsible for guaranteeing Stop Order executions. In addition, the designation of Stop-Limit will no longer be valid upon order entry at any NYSE system.

Listed below is a summary of changes to the MOL Machine Readable Output File (Product # 06220143) and Specialist Activity Report (Product # 06010615):

Only executed Stop Orders will appear on Specialist Output designated as a Stop Order. Elected Stop Orders that are not executed will appear as Market Orders. Unelected Stop Orders will not appear on Specialist Output.

#### **Specialist Records on the Clearing Firm MRO (Autoroute 06220143)**

- Clearing Firm records (non-Specialist) contained on the MRO Output will not be affected
- Specialist records on the MRO will no longer reflect Unelected Stop Orders
- Election Admin Messages will no longer be populated on Stop Orders (Message Type “3A”, Admin Type = “Q”, Admin Sub-type = “E”)
- Elected, but unexecuted Stop Orders will appear as Market Orders with the Order Time equal to the election time
- The DBTIME (column 254-163) will reflect the time the “elected” order arrived at Display Book.

#### **Specialist Activity Report (06010615)**

- Election Messages will no longer be populated on Stop Orders

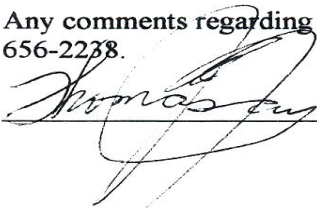
- Elected Stop Orders with activity other than a Report (cancel, tick filing) will appear as Market Orders
- The Order Time will reflect the DBTIME of the “elected” order.

### **Implementation**

Changes for Stop processing will be on a stock-by-stock basis in conjunction with the rollout of the Display Book 11.3 Release. Affected outputs will display current and proposed functionality at the same time. There are no message format changes associated with this effort.

Any questions regarding Merged Order Log or Specialist Activity Output should be directed to John Schwarzbeck at (212) 656-5462 or Larry Moreno at (212) 656-4648

Any comments regarding this notice should be directed to the undersigned, Thomas Fay at (212) 656-2238.



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