

Trading Technology

April 24, 2009



TO: All Members and Member Organizations/Chief Operations Officers/Managing Partners/Operations Managers/Data Processing Managers and P&S Managers of Member Organizations/MOL Users/OCS Users

SUBJECT: NYSE e-BrokerSM Routing to MatchPoint– Post Trade Handling

PT 155

The NYSE e-Broker handheld device is being enhanced to allow a floor broker to route interest directly to MatchPoint (MP) for execution in NYSE and NYSE Amex securities. Broker interest that is executed in either of these venues will be reported to the handheld with the contra clearing firm of "ANON" (clearing number - 8602). These executions will appear as locked-in trades on the NSCC Regional Contact Output with the omnibus contra of "ANON". Clearing firms are being notified in advance so that they can prepare for this enhancement.

Summary of Comparison Processing:

Contract Output

All orders routed to MatchPoint are executed anonymously and will appear as locked-in trades on the NSCC Regional Contract Output (Autoroute product id 02143125) with the contra clearing firm of "ANON". These executions **will not** be forwarded to the NYSE Contract Output (product id 002013036) and will not be eligible for NYSE OCS®.

- OCS Direct submission **with a** contra of ANON shall be bypassed
- OCS Screen and MQM input with the contra of ANON will be rejected
- RIO Contract Output will denote NYSE e-broker handheld executions at MatchPoint with an Originating Market value of "ARNX" and Last Market System of "MP".
 - Please reference the following NSCC Notices for more information on how to identify these executions on RIO Contracts.
 - P&S 6132 "NYSE Group Anonymous Trade Reporting on RIO Output" dated January 17, 2008
 - P&S 6357 "New Identifiers on NYSE Group Exchange RIO Contracts" dated February 10, 2009

NYSE/NYSE Amex Trade Reconciliation

Currently, clearing firms run separate "breaksheet" and balancing routines for the NYSE/NYSE Amex and RIO comparison data. Clearing firms are accustomed to reconciling all their NYSE eBroker reports against the NYSE Contract Output. The RIO Contract Output is usually reconciled against a separate internal customer blotter. Clearing firms are advised to review their internal trade reconciliation processing (breaksheet, balancing, blotters, etc.) and determine what changes may be required.

CCG Processing

Firms that route interest to a broker system via CCG that is ultimately sent to MatchPoint by NYSE e-Broker will receive CCG report execution messages with a Market Center of “N” and an MMID of “MP” represented in Tag 9570 (MCID) as N/MP. These executions will not receive a Billing Indicator (Tag 9578).

Summary of After Hours Processing

Overview

For record retention purposes, interest routed from NYSE e-Broker to MatchPoint will appear on all the Merged Order Log Outputs. Executions will be marked accordingly identifying MatchPoint as the venue of execution on report records (Record Type 2A).

Merged Order Log Processing

For executions at MP (Record Type 2A):

- Contra Mnemonic (position 136-139) will appear as “ANON”
- Liquidity Indicator (position 157) will appear as “N”
- MMID (file only) will appear as “MP” in a new field in positions 158-159.

Record Type 2A

| Field Name | | Position Start-End | Format (length) | New Field Value |
|---------------------------|----------------------------|--------------------|-----------------|------------------------------------|
| CONT 1 ST | CONTRA MNEMONIC(1) | 136-139 | X(4) | ANON |
| | LIQUIDITY INDICATOR (1) | 157-157 | X(1) | N – New York (routed to MP) |
| VENDOR DESTINATION | | 158-159 | X(2) | MP = MatchPoint |
| END OF RECORD | | 160-160 | X(1) | ETX = 1-byte end-of-text character |

If you have any questions about this notice please contact your NYSE Relationship Manager or Bob Airo (212) 656-5633.

If you have specific questions about MatchPoint, please contact Jim Ross (212) 656-2268 or Andy Frank (212) 656-4377.

If you have specific questions about the NYSE Comparison Stream or Merged Order Log, please contact John Schwarzbeck (212) 656-5462 or Larry Moreno (212) 656-4648.

2 Attachments

- MatchPoint Q&A
- MatchPoint Overview



**Member Firm Customer Service
NYSE e-BrokerSM to MatchPoint FAQ**

The purpose of the following page is to highlight certain frequently asked questions and to provide additional guidance on the capability of NYSE e-Broker to route to MatchPoint

- Q1: Will MP executions appear on the NYSE Listed Contract output along with all my other NYSE and NYSE Amex executions?
- A1: No. MP executions will be reported back to the broker's hand-held against the contra clearing firm of "ANON". These executions will appear on NSCC's Regional (RIO) Contract Output. You should ensure that your clearing firm is set up to receive the RIO Contract Output from NSCC.
- Q2: Is "ANON" a valid clearing firm in the NYSE Comparison stream?
- A2: No. The give-up of "ANON" is not a valid NYSE clearing firm. If you attempt to enter the contra clearing firm of "ANON" into OCS it will be rejected.
- Q3: Will MP executions receive a billing indicator?
- A3: No, these will look like away executions with "N" as the Market Center and "MP" as the MMID. Firms should recognize when they see "N" as the MCID, they will not be billed by the NYSE for these executions and they should check the MMID value to see that the executions occurred at MatchPoint. Billing will take place at MatchPoint. Rates for these venues can be found on Page 5 of the NYSE Price List at the following link:
<http://www.nyse.com/pdfs/2009pricelist.pdf>
- Q4: Will MP executions appear on the Merged Order Log Output?
- A4: MP executions will appear on the Broker Badge, Clearing Firm, Entering Firm and Agency versions of the MOL output.

MatchPoint Overview

NYSE MatchPoint is a non-displayed, point-in-time electronic exchange NYSE facility that matches aggregated orders at predetermined times throughout the trading day and after hours. The times of the scheduled matches are 9:45 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM and 4:45 PM. All NMS securities are available for submission and execution in the MatchPoint matches.

The matches are completely non-displayed and there is no disclosure of order information nor negotiation between users. At the time of the match, an algorithm allocates shares on a pro rata basis and only when there is eligible contra side shares against which to match. If there are no eligible shares on the contra side, the orders will be immediately cancelled back to the user unexecuted.

A MatchPoint Reference Price (at which all MatchPoint trades are priced) is randomly calculated within a one-minute pricing window immediately following the scheduled time of the match. For intraday matches, the MatchPoint Reference Price is the mid-point of the NBBO. For the after hours match, the MatchPoint Reference Price is the official closing price of the primary (listing) exchange. MatchPoint Reference Prices may go out to three decimal places.

MatchPoint Users may submit market or limit-priced orders. Users may submit or cancel orders anytime prior to the calculation of the MatchPoint Reference Price. Once the MatchPoint Reference Price is calculated, orders entered into the matching session cannot be cancelled and new orders cannot be entered for that particular matching session. Users will receive either a full execution, a partial execution with a cancelation of the unexecuted shares or a complete cancelation of the unexecuted order.

Access is available to any NYSE member firm who has received authorization from the NYSE. To receive authorization, an NYSE member firm must fill out the MatchPoint Connectivity Application and submit it to NYSE Client Services for approval.

If you have specific questions about MatchPoint, please contact Jim Ross (212) 656-2268 or Andy Frank (212) 656-4377.