



Trading Technology
11 Wall Street
New York, NY 10005
October 5, 2009

Trading Technology Information Circular

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

SUBJECT: Third Party Algorithm Information on the Post Trade Output

PT 162

The NYSE e-Broker™ hand-held device is being enhanced to allow Floor Brokers to route interest to Third Party Algorithm (“Algo”) providers. These new Third Party Algo providers may route interest in NYSE and NYSE Amex securities to the NYSE Trading System or any other venue depending on the strategy selected by the Floor Broker.

Comparison:

- Orders routed by a Third Party Algo provider to the NYSE Trading System via the NYSE Broker Algo Gateway and subsequently executed will be processed as a locked-in trade and forwarded to the clearing corporation. The report will contain the contra clearing firm of “LOC/787” (same as current NYSE sponsored Algo provider executions).
- Orders routed by a Third Party Algo provider to a market or trading venue other than the NYSE or NYSE Amex and subsequently executed, will be processed as a two-sided comparison in OCS. The report will contain the contra clearing firm associated with the Algo provider.

Transaction Billing:

Third Party Algo providers may elect to accept responsibility for all NYSE and NYSE Amex transaction fees as well as fees from any other venues and bill customers directly for this service. To facilitate this request, two new billing values will be added to the Liquidity Indicator field on the Broker Badge, Entering Firm, and Clearing Firm Merged Order Log (“MOL”) Output.

The new billing indicators are as follows:

- ⇒ “**F**”(representing eBroker hand-held interest **routed to** the NYSE Trading Systems) **or**
- ⇒ “**G**”(representing eBroker hand-held interest **routed away from** the NYSE Trading Systems)

Both of these values represent transactions for which the Third Party Algo provider assumes responsibility for Market Center transaction fees, with subsequent billing of these fees to the customer. Members and member organizations are being notified in advance so that they may prepare for this change.

Below is a summary of the MOL output changes:

Broker Badge (06201028), Clearing Firm (06220143) & Entering Firm (06220174) MOL files:

Whenever the Market Center field on the parent report has a value of “F” or “G”, the Liquidity Indicator of “F” or “G” will be populated in position 157 on report records (Record Type 2A-2E) of the MRO as follows:

| FIELD NAME | Position (Start-End) | Format (Length) | Field Value |
|---------------------|----------------------|-----------------|--|
| LIQUIDITY INDICATOR | 157-157 | X(1) | F = Third Party Algo Executed NYSE G = Third Party Algo Executed Away |

Note: MOL recipients will receive the NYSE assigned liquidity indicator on child executions, while parent executions will receive the third party Algo assigned liquidity indicator. For example child execution value of "1" (taker) or "2" (provider) would result in a parent execution value of "F". For parent executions that receive the third party Algo assigned indication of "G" no child order/report data will be reflected on the MOL output.

Print-Image MOL Output:

The new Liquidity Indicator values (“F” or “G”), will be displayed under the Trade Classification (TC) column of the Broker Badge, Clearing Firm, and Entering Firm print-image MOL output.

Reference Material (Algo Vendor Information):

Currently, the print-image MOL output displays the Algo-accepted order messages as well as the Algo Vendor and Strategy Type on an “Administrative” line. This enhancement shall also display the Third Party Algo Vendor and the Algo Strategy Type as text on the same line as the accepted administrative message line (please reference PT156 Notice “Algo Information on MOL”).

In addition, the Badge Log print-image will display the totals of Third Party Algo accepted order messages at the end of the Badge Log report under the Algo Vendor column of the Algo Liquidity Totals section (please reference PT150 Notice “Liquidity Indicator on Badge MOL”).

Related CCG Change:

CCG customers may receive new values of “F” and “G” in Tag 9570 (ExecAwayMktId) on execution reports.

Broker Algo Questions:

Any questions regarding the Broker Algo products should be forwarded to Michael Rutigliano, at (212) 656-4679, mrutigliano@nyx.com.

Any questions regarding the post-trade changes described in this circular should be forwarded to John Schwarzbeck at (212) 656-5462, jschwarzbeck@nyx.com or to Larry Moreno at (212) 656-4648, lmorono@nyx.com.