

August 3, 2010

Executive Summary

As part of our participation in the Penny Pilot Program (“Pilot”), NYSE Amex, LLC, (“NYSE Amex” or “Exchange”)(FKA The American Stock Exchange LLC), has committed to the Securities and Exchange Commission (“Commission” or “SEC”) that it would produce several reports analyzing the impact of the Pilot. The reports are designed to better understand the impact of reducing the minimum price variations (“MPVs”) for quoting and trading options and should serve as the basis for determining how to proceed in expanding the Pilot. This will be the sixth report on the Pilot to date and will cover the period March 2, 2009 to October 30, 2009¹.

Throughout this report reference will be made to different time periods defined as follows:

- Pre-Pilot: November 1, 2006 to January 31, 2007 – data captured during this time period forms the baseline statistics for the 13 Tranche 1 securities
- Pre-Pilot: July 1, 2007 to September 27, 2008 – data captured during this time period forms the baseline statistics for the 22 Tranche 2 securities
- Phase I: February 9, 2007 to April, 30, 2007
- Phase II: May 1, 2007 to September 27, 2007
- Phase III: September 28, 2007 to January 31, 2008
- Phase IV: February 1, 2008 to July 31, 2008 – except for the 28 Tranche 3 securities which began trading on March 28, 2008. Due to data capture problems there are no Pre-Pilot observations for the 28 Tranche 3 securities. Also, during the pilot reporting period, 2 of the 28 Tranche 3 securities stopped trading.
- Phase V: August 1, 2008 to November 30, 2008.
- Phase VI: March 2, 2009 to October 30, 2009.

The Pilot has now been in effect for over three years. In that time observed spreads have generally declined.

¹ Concurrent with migrating to a new trading platform and supporting technologies March 2, 2009; no data was available for the period 12/1/2008 to 2/27/2009. Going forward we will employ data in the same fashion as used in this report.



Summary Statistics Described

Once the daily summary statistics were compiled they were then aggregated for the pertinent time periods for each underlying security and averaged accordingly. Each day in the evaluation period was given equal weight in the averaging process.

Volume statistics for Phase VI, March 2, 2009 to October 30, 2009; are contained in Exhibits B-1, B-2, B-3 & B-4. For these exhibits we have maintained prior report formats.

Observations About The NBBO Quoted Spread Width

Exhibit A contains detailed information on each of the Pilot securities with respect to the quoted spread width. These statistics are the result of calculating the effective spread for each trade, weighting it by volume and arriving at the volume-weighted effective spreads for each issue. It is further divided into two sections: penny MPV and nickel MPV. On average spreads widened slightly during the nine months covering these observations.



Observations About Volume

Industry volume in Phase VI grew 44% over Pre Pilot statistics. All Pilot securities grew 64% over Pre Pilot statistics and volume in the ETF's that are part of the Pilot grew at the fastest pace of 126% compared with Pre Pilot statistics. (highlighted in table below)

Under	Phase I vs. Pre Pilot % Change	Phase II vs. Pre Pilot % Change	Phase III vs. Pre Pilot % Change	Phase IV vs. Pre Pilot % Change	Phase V vs. Pre Pilot % Change	Phase VI vs Pre Pilot % Change
Industry ADV	10%	26%	56%	53%	65%	44%
SubTotal 13 Pilot Securities	31%	60%	92%	60%	79%	19%
SubTotal 22 Pilot Securities	14%	41%	96%	97%	123%	105%
SubTotal 28 Pilot Securities	-11%	13%	52%	52%	72%	48%
SubTotal All Pilot Securities	12%	40%	83%	74%	96%	64%
SubTotal ETF Pilot Securities	45%	109%	184%	188%	254%	126%
SubTotal Pilot Securities Ex ETFs	-2%	9%	39%	24%	27%	36%
Industry ADV Ex Pilot Securities	8%	17%	35%	37%	41%	29%