

# **NYSE Arca Options**

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***Options Trading Permit Application***

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## APPLICATION PROCESS

### **Filing Requirements**

Prior to submitting the Options Trading Permit (“OTP”) Application, an applicant Broker-Dealer (“Applicant”) must file a Uniform Application for Broker-Dealer Registration (Form-BD) with the Securities and Exchange Commission and register with the FINRA Central Registration Depository (“Web CRD”).

### **Checklist**

Applicant must complete and submit all applicable materials addressed in the Application Checklist (page 3) to [crs@nyse.com](mailto:crs@nyse.com).

**Note: All application materials sent to NYSE Arca (the “Exchange”) will be reviewed by NYSE’s Client Relationship Services (“CRS”) Department for completeness. The Applications are submitted to FINRA who performs the application approval recommendation. All Applications are deemed confidential and are handled in a secure environment. CRS or FINRA may request Applicants to submit documentation in addition to what is listed in the Application Checklist during the application review process, pursuant to Exchange Rules. If you have questions on completing the application, you may direct them to: CRS: Email: [crs@nyse.com](mailto:crs@nyse.com) or (212) 896-2830.**

### **Application Process**

- Following submission of the Application and supporting documents the Exchange, the Application will be reviewed for accuracy and regulatory or other disclosures.
- If review of Statutory Disqualification Disclosure information and/or a background investigation indicates that the Applicant has an associated person(s) with a possible statutory disqualification, the Exchange will contact the representative of the Applicant to discuss the statutory disqualification process.
- If it appears that the Applicant has outstanding debt, civil judgment actions and/or regulatory disciplinary actions, the Applicant will be contacted by the Exchange for further information.
- Applicants who have completed and returned all documents without indication of a statutory disqualification, outstanding debt, civil judgment actions and/or regulatory disciplinary actions will be presented to the Exchange for approval or disapproval without delay. The Exchange shall post the name of the Applicant and its proposed Nominee in the NYSE Arca Weekly Bulletin.
- Applicants will be subject to disciplinary action if false or misleading answers are given pursuant to the Application.
- All individuals required to be registered with the Exchange, pursuant to the rules of the Exchange, shall file documentation with the Exchange in the manner prescribed in the Exchange’s rules. The Exchange does not accept fingerprint cards. Fingerprint cards must be submitted directly to FINRA within 30 days of filing the Form U4. The fingerprint cards must be cleared by the FBI for individuals who seek to register with the Exchange or be approved by the Exchange. Firms may request FINRA-approved fingerprint cards through the Gateway Call Center at: (301) 590-6500. Fingerprint cards should be sent directly to: For Regular U.S. Mail: FINRA, Registration and Disclosure Department, P.O. Box 9495, Gaithersburg, MD 20898-9495. P.O. Boxes will not accept courier or overnight deliveries. For Express/Overnight Mail Delivery: FINRA, Registration and Disclosure Department, 9509 Key West Avenue, Rockville, MD 20850. If a phone number is required for the recipient, provide: (301) 590-6500. Your firm should receive the FBI search results in the “Fingerprint Status Received from FBI Notice Queue” within three business days after the card is sent to the FBI. Additional information regarding the submission of fingerprints to Web CRD may be obtained on the FINRA Web site: <https://firms.finra.org/webcrd>.
- An Options Trading Permit (“OTP”) must be activated within six months of approval by the Exchange. Applicants that have been approved by the Exchange are not considered active OTP Firms until an OTP has been placed in the name of a Nominee. Nominees must be approved by the Exchange before becoming an OTP Holder on behalf of an OTP Firm. OTP Firms that are off-floor trading firms or provide clearing services on the Exchange and are not conducting market maker or floor broker activities are required to designate an “Office Nominee” as its OTP Holder.
- In the event an Applicant is disapproved by the Exchange, the Applicant has an opportunity to be heard upon the specific grounds for the disapproval, in accordance with the provisions of the Exchange’s rules. A disapproved applicant desiring to be heard must, within thirty (30) calendar days of the date upon which the Exchange’s decision was mailed to the applicant, file a petition in accordance with the provisions of the rules of the Exchange.

<b>APPLICATION CHECKLIST</b>
<b>NON-Designated Exam Authority (“NON-DEA”)APPLICANTS</b>
<input type="checkbox"/> Options Trading Permit Application <ul style="list-style-type: none"> <li>• Section 8 only if you are not self-clearing</li> <li>• Section 9 does not apply</li> </ul>
<input type="checkbox"/> NYSE Master User Agreement
<input type="checkbox"/> Form BD, including Schedules & Disclosure Reporting pages must be up to date and accurate on FINRA’s Web CRD®.
<input type="checkbox"/> A Form U-4 and Fingerprint cards for the following individuals needs to be submitted directly to the FINRA, if not currently available on Web CRD®: <ul style="list-style-type: none"> <li>• Approved Persons as listed on Form BD Schedule B</li> <li>• Designated supervisors and principals</li> <li>• All Authorized Traders</li> </ul>
<input type="checkbox"/> Financial Documentation <ul style="list-style-type: none"> <li>• Four (4) Most Recent FOCUS Reports<sup>1</sup> and the Most Recent Audited Financial Statements, if applicable</li> <li>• Most Recent Balance Sheet and Capital Computation</li> <li>• Six Month Profit/Loss Projection</li> </ul>
<input type="checkbox"/> All examination reports and corresponding responses from the Applicant for the last two exam reports
<input type="checkbox"/> Copy of Written Supervisory Procedures, Anti-Money Laundering Procedures, and Insider Trading Act Procedures (if separate)
<input type="checkbox"/> Organizational Documents: Articles of Incorporation and Bylaws; Partnership Agreement; Limited Liability Company (“LLC”) Agreements; Operating Agreement; or similar documentation

<b>DEA APPLICANTS</b>
<input type="checkbox"/> Options Trading Permit Application <ul style="list-style-type: none"> <li>• Section 8 only if you are not self-clearing</li> </ul>
<input type="checkbox"/> NYSE Master User Agreement
<input type="checkbox"/> Form BD, including Schedules & Disclosure Reporting pages must be up to date and accurate on FINRA’s Web CRD®.
<input type="checkbox"/> A Form U-4 and Fingerprint cards for the following individuals needs to be submitted directly to the FINRA, if not currently available on Web CRD® <sup>1</sup> . <ul style="list-style-type: none"> <li>• Approved Persons as listed on Form BD Schedules B</li> <li>• Designated supervisors and principals</li> <li>• All Authorized Traders</li> </ul>
<input type="checkbox"/> Financial Documentation <ul style="list-style-type: none"> <li>• Four (4) Most Recent FOCUS Reports<sup>2</sup> and the Most Recent Audited Financial Statements, if applicable</li> <li>• Most Recent Balance Sheet and Capital Computation</li> <li>• Six Month Profit/Loss Projection</li> <li>• Subordination Agreements, if applicable</li> </ul>
<input type="checkbox"/> Proprietary Accounts of Introducing Broker-Dealers (PAIB) Agreements, if applicable
<input type="checkbox"/> Organization Documents: Articles of Incorporation and Bylaws; Partnership Agreement; Limited Liability Company (“LLC”) Agreements; Operating Agreement; or similar documentation
<input type="checkbox"/> All examination reports and corresponding responses from the Applicant for the last two exam reports
<input type="checkbox"/> Copy of Written Supervisory Procedures <sup>2</sup> , Anti-Money Laundering Procedures, and Insider Trading Act Procedures (if separate)

For a list of all fees, please review the “NYSE Arca Options Fees and Charges” found at <https://www.nyse.com/markets/fees>

<sup>1</sup> Applicants must demonstrate that they have current net capital of 140% of their minimum net capital requirement or \$20,000 in excess of their minimum dollar net capital requirement, whichever is greater. If the Broker-Dealer has reported net losses for the period reviewed, the Firm’s financial statements must demonstrate that its excess net capital can withstand six (6) consecutive months of average losses. Applicants that do not have the requested financial information available are required to submit Pro Forma Financial statements reflecting the Balance Sheet and Profit & Loss Statement detail for each month for the most recent six (6) months or since inception, whichever is less.

## EXPLANATION OF TERMS

*For purposes of this Application, the following terms shall have the following meanings:*

**Applicant** – the Broker-Dealer organization applying for an OTP or amending this form.

**Associated Person** - a person who is a partner, officer, director, member of a LLC, trustee of a Business Trust, or employee of an OTP Holder or any person directly or indirectly controlling, controlled by or under common control with an OTP Holder.

**Authorized Trader (“AT”)** – an individual who may submit orders to the Exchange on behalf of his or her OTP Firm.

**Central Registration Depository System (“Web CRD®”)** – A centralized electronic registration system maintained by FINRA which provides information on registered representatives and principals for members of participant organizations. This database contains employment history, exam scores, licensing information, disciplinary actions, fingerprint results, and other related registration information. NYSE Arca, Inc. is a participant of this system.

**Clearing Member** – an OTP Firm which has been admitted to membership in the Options Clearing Corporation (“OCC”) pursuant to the provisions of the rules of the OCC.

**Control** – as defined on Form-BD the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise. Any person that (1) is a director, general partner or officer exercising executive responsibility (or having similar status or functions); (2) directly or indirectly has the right to vote 25% or more of a class of a voting security or has the power to sell or direct the sale of 25% or more of a class of voting securities; or (3) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 25% or more of the capital, is presumed to control that company.

**Designated Examining Authority (“DEA”)** – the SEC will designate one Self-Regulatory Organization (“SRO”) to be a Broker-Dealer’s examining authority, when the Broker-Dealer is a Member or OTP Holder of more than one SRO. Every Broker-Dealer is assigned a DEA, who will examine the Broker-Dealer for compliance with financial responsibility rules.

**Designated Supervisor** – refers to any person that is a partner, director, or officer exercising executive responsibility (or having similar status or functions) for supervising registered employees.

**Financial Arrangement** – (1) the direct financing of an OTP Holder’s dealings upon the Exchange; (2) any direct equity investment or profit sharing arrangement; or (3) any consideration over the amount of \$5,000.00 including, but not limited to, gifts, loans, annual salaries or bonuses.

**Firm Proprietary and/or Agency Trading** – an OTP Firm that engages in off-floor trading that is unrelated to the performance of that OTP Firm’s registered market maker or floor broker functions.

**Market Maker** – an OTP Holder that acts as a Market Maker pursuant to Rule 6.32-O and submits quotes electronically and makes transactions as a dealer-specialist through the facilities of the Exchange from on the trading floor or remotely from off the trading floor.

**Market Maker Authorized Trader (“MMAT”)** –an authorized trader who performs market making activities pursuant to Rule 6-O on behalf of an OTP Holder registered as a Market Maker.

## EXPLANATION OF TERMS (CONTINUED)

**Nominee** – an individual who is authorized by an OTP Firm, in accordance with Rule 2.4, to conduct business on the trading facilities of the Exchange and to represent such OTP Firm in all matters relating to the Exchange. A Nominee shall agree to be bound by the rules of the Exchange, and by all applicable rules and regulations of the Securities Exchange Commission.

**NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”)** – a Delaware corporation as described in the company’s Certificate of Incorporation and Bylaws. NYSE Arca is a national securities exchange as that term is defined by Section 6 of the Securities Exchange Act of 1934, as amended. NYSE Arca, Inc. is also a Self-Regulatory Organization.

**OTP** – an OTP issued by the Exchange for effecting transactions on the Exchange’s trading facilities. An OTP may be issued to a Sole Proprietor, Partnership, Corporation, LLC or other organization which is a registered Broker or Dealer, pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, and which has been approved by the Exchange.

**OTP Firm** – a sole proprietor, partnership, corporation, limited liability company or other organization in good standing who holds an OTP or upon whom an individual OTP Holder has conferred trading privileges on the Corporation’s trading facilities. An OTP Firm shall agree to be bound by the rules of the Exchange, and by all applicable rules and regulations of the Securities and Exchange Commission.

**OTP Holder** – a natural person who has been issued an OTP, or has been named as a Nominee of an OTP Firm in accordance with the rules of the Exchange.

**Primary Business** – refers to greater than 50% of the OTP Holder’s business.

**Self-Regulatory Organization (“SRO”)** - each exchange or national securities association is an SRO. Each SRO must have rules that provide for the expulsion, suspension and other discipline of member Broker-Dealers for violation of the SRO’s rules

**KEY PERSONNEL**

Please identify the key personnel who hold the below positions (or the individual whose responsibilities are the functional equivalent of such position, regardless of actual titles used by the Applicant Firm) and who will want to receive communications pertaining to our options markets.

**Chief Executive Officer ("CEO")**

Name: \_\_\_\_\_ CRD: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**Chief Financial Officer ("CFO")**

Name: \_\_\_\_\_ CRD: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**Chief Compliance Officer ("CCO")**

Name: \_\_\_\_\_ CRD: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**Chief Operations Officer ("COO")**

Name: \_\_\_\_\_ CRD: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**Head of Options Clearing**

Name: \_\_\_\_\_ CRD: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**Head of Options Trading**

Name: \_\_\_\_\_ CRD: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**SECTION 1 – ORGANIZATIONAL PROFILE**

Date: \_\_\_\_\_ MPID: \_\_\_\_\_  
 SEC#: \_\_\_\_\_ CRD# \_\_\_\_\_ LEI#: \_\_\_\_\_

Application  Amendment

**GENERAL INFORMATION**

Name of Applicant : \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Website: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**TYPE OF ORGANIZATION**

Corporation  Limited Liability Company  Partnership  Sole Proprietor

**TYPE OF BUSINESS TO BE CONDUCTED WITH OPTIONS TRADING PERMIT (Check all that apply)**

Lead Market Maker  Remote Market Maker  Floor Market Maker  
 Floor Broker  Clearing Services  Order Sending  
 Agency Trading  Proprietary Trading  Away Market Maker

**OTHER BUSINESS ACTIVITIES CONDUCTED BY APPLICANT BROKER DEALER (Check all that apply)**

Lead Market Maker  Remote Market Maker  Floor Market Maker  
 Floor Broker  Clearing Services  Order Sending  
 Agency Trading  Proprietary Trading  Away Market Maker

**OTHER SELF-REGULATORY ORGANIZATION MEMBERSHIPS (Check all that apply)**

Cboe BZX US Equities Exchange BATS (BZX)  Cboe BYX US Equities Exchange (BYX)  
 Cboe EDGA US Equities Exchange (EDGA)  Cboe EDGX US Equities Exchange (EDGX)  
 Chicago Board Options Exchange (CBOE)  Chicago Stock Exchange (CHX)  
 Financial Industry Regulatory Authority, Inc. (FINRA)  Investors Exchange (IEX)  
 International Securities Exchange (ISE)  NASDAQ  
 NASDAQ OMX BX (BX)  NASDAQ OMX PHLX (PHLX)  
 New York Stock Exchange (NYSE)  NYSE American (AMER)  
 NYSE National (NAT)

**APPLICANT'S DESIGNATED EXAMINING AUTHORITY ("DEA")**

NYSE Arca, Inc.  Other \_\_\_\_\_

**SECTION 2 – MEMBERSHIP AGREEMENT**

Applicant agrees to abide by the rules of the Exchange, as amended from time to time, and all circulars, notices, interpretations, directives or decisions adopted by the Exchange.

Applicant authorizes any SRO, commodities exchange, governmental agency or similar entity to furnish to the Exchange, upon its request, any information that such person may have concerning the ability, business activities, and reputation of Applicant or its associated persons, and releases such person or entity from any and all liability in furnishing such information. Applicant authorizes the Exchange to make available to any governmental agency, SRO, commodities exchange or similar entity, any information it may have concerning the Applicant or its associated persons, and releases the Exchange from any and all liability in furnishing such information.

Applicant acknowledges its obligation to update any and all information contained in any part of this Application, including termination of membership with another SRO, which may cause a change in the Applicant's DEA. It is understood that in that event, additional information may be required by the Exchange.

Applicant Broker-Dealer: \_\_\_\_\_ CRD#: \_\_\_\_\_

Signature of Authorized  
Officer, Partner, Managing  
Member or Sole Proprietor: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

**SECTION 3 – FINANCIAL DISCLOSURE****FINANCIAL STATEMENT**

Copies of the required financial items as noted on the checklist including: the four (4) most recent FOCUS Reports<sup>2</sup>, most recent Audited Financial Statements, and examination reports and corresponding responses.

**SOURCE OF CAPITAL**

Explain the source of Applicant's capital

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**PROPRIETARY ACCOUNTS OF INTRODUCING BROKER-DEALERS (PAIB)**

Do you hold a Proprietary Account as an Introducing Broker-Dealer (PAIB)  Yes  No

\*If Yes: An introducing Broker-Dealer must notify its DEA in writing when it has entered into a PAIB Agreement with a clearing Broker-Dealer regarding the net capital treatment of assets held in proprietary accounts. Assets (cash and securities) held in trading accounts without a PAIB Agreement are considered to be non-allowable in the computation of net capital under SEC Rule 15c3-1. If NYSE Arca will be your DEA, please enclose a copy of all PAIB Agreements you have entered into with a clearing broker-dealer.

**SUBORDINATED LOANS**

Have any subordinated loans been made to Applicant?  Yes (Explain below)  No

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**FINANCIAL OR CONTROLLING INTERESTS**

Does the Applicant have a financial or controlling (as defined in Form-BD) interest (through direct or indirect stock or bond ownership, through outstanding loans, or otherwise) in any organization engaged in a securities, financial or related business?

Yes (Explain below)  No

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**FINANCIAL ARRANGEMENT**

Does the Applicant have a financial arrangement with any other Broker-Dealer?

Yes (Explain below)  No

Type of Arrangement:  Direct Equity Investment  Any consideration over \$5,000  
 Profit Sharing  Direct Financing  
 Other \_\_\_\_\_

Terms of Arrangement (include the names of all participants in the arrangement, and the nature and terms of the arrangement):

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**OUTSTANDING DEBT (Check all that apply)**

Does the Applicant owe money to any of the following?

- Any NYSE Arca member or member organization or NYSE Arca OTP Holder
- Any other national securities or commodities exchange or national securities association
- Any member of any other national securities or commodities exchange or national securities association

Explain to whom the money is owed and the dollar amount. Attach a copy of arrangements made for repayment of this debt and evidence of an agreement of repayment \_\_\_\_\_

No, the Applicant does not owe money to any of the above referenced persons or entities.

<sup>2</sup> Applicants that do not have the requested financial information available are required to submit Pro Forma Financial statements for the most recent six (6) months or since inception, whichever is less.

**SECTION 4 – APPROVED PERSON APPLICATION FOR AN INDIVIDUAL**

Any person who controls a member organization, or who engages in a securities or kindred business and is controlled by or under common control with a member organization but is not a member or principle executive or an employee of a member organization. On Web CRD, all Approved Persons are required to file a Form U4, or amendment thereto.

**APPLYING AS APPROVED PERSON**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ CRD# \_\_\_\_\_  
Firm Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
 Designated Supervisor of Authorized Traders  
 Form U4 and fingerprint information <sup>6</sup> is current and accessible for this person on Web CRD™

**APPLYING AS APPROVED PERSON**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ CRD# \_\_\_\_\_  
Firm Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
 Designated Supervisor of Authorized Traders  
 Form U4 and fingerprint information <sup>6</sup> is current and accessible for this person on Web CRD™

**APPLYING AS APPROVED PERSON**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ CRD# \_\_\_\_\_  
Firm Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
 Designated Supervisor of Authorized Traders  
 Form U4 and fingerprint information <sup>6</sup> is current and accessible for this person on Web CRD™

**APPLYING AS APPROVED PERSON**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ CRD# \_\_\_\_\_  
Firm Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
 Designated Supervisor of Authorized Traders  
 Form U4 and fingerprint information <sup>6</sup> is current and accessible for this person on Web CRD™

**SECTION 5 – REGISTERED TRADERS**

Each Applicant is required to register employees and associated persons in accordance with Exchange rules. Pursuant to Exchange rules, Applicants must complete the necessary documentation and submit such documentation in the manner prescribed in Exchange rules. Individual traders of the Applicant must successfully pass any required examination and identify registration with the Exchange within any and all applicable categories on Form U4 including, , but are not limited to, the following:

- **OM** – Market Maker of the Applicant (Series 57 prerequisite)
- **OM** – Floor Broker (Series 57 prerequisite)

For Applicants who wish to conduct market making or floor broker activities through the facilities of the Exchange, below, please list all individuals who will conduct such activity on behalf of the Applicant.

**REGISTERED TRADER INFORMATION**

Individual Name: \_\_\_\_\_ CRD: \_\_\_\_\_  
 Date of Birth: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**TYPE OF BUSINESS ACTIVITY TO BE CONDUCTED (Please check appropriate box below)**

- |  |  |
|--|--|
| <input type="checkbox"/> Lead Market Maker (LMM)               | <input type="checkbox"/> Remote Market Maker (RMM)                 |
| <input type="checkbox"/> Floor Market Maker (FMM)              | <input type="checkbox"/> Floor Broker (FB)                         |
| <input type="checkbox"/> Market Maker Authorized Trader (MMAT) | <input type="checkbox"/> Office Nominee (Order Sending & Clearing) |

**APPLICATION CHECKLIST**

- A Form U-4 and Fingerprint card has been submitted to WebCRD©
- Individual has passed the required examination
- Individual has been granted a waiver of the required examination

**REGISTERED TRADER INFORMATION**

Individual Name: \_\_\_\_\_ CRD: \_\_\_\_\_  
 Date of Birth: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**TYPE OF BUSINESS ACTIVITY TO BE CONDUCTED (Please check appropriate box below)**

- |  |  |
|--|--|
| <input type="checkbox"/> Lead Market Maker (LMM)               | <input type="checkbox"/> Remote Market Maker (RMM)                 |
| <input type="checkbox"/> Floor Market Maker (FMM)              | <input type="checkbox"/> Floor Broker (FB)                         |
| <input type="checkbox"/> Market Maker Authorized Trader (MMAT) | <input type="checkbox"/> Office Nominee (Order Sending & Clearing) |

**APPLICATION CHECKLIST**

- A Form U-4 and Fingerprint card has been submitted to WebCRD©
- Individual has passed the required examination
- Individual has been granted a waiver of the required examination

**You may submit multiple copies of this page, if needed**

**SECTION 6 – STATUTORY DISQUALIFICATION DISCLOSURE**

Pursuant to the Securities Exchange Act of 1934, as amended ("the Act"), the Exchange may deny (or may condition) trading privileges or may bar a natural person from becoming associated (or may condition an association) with an OTP Holder for the same reasons that the Securities and Exchange Commission may deny or revoke a broker-dealer registration under the Act. The Act provides for Statutory Disqualification if a person has:

- Been expelled, barred or suspended from membership in or being associated with an member of a self-regulatory organization;
- had broker, dealer or similar privileges denied or suspended or caused such denial or suspension of another;
- Violated any provision of the Act; or
- Been convicted of a theft or securities related misdemeanor or any felony within ten (10) years of the date of applying for membership status or becoming an Associated Person.

Check here if you DO NOT have person(s) associated with the Applicant who is or may be subject to Statutory Disqualification.

Check here if you DO have person(s) associated with the Applicant who is or may be subject to Statutory Disqualification.\*

Please identify any such person(s) associated with the Applicant who is or may be subject to Statutory Disqualification. Additionally, identify any such person(s) who are associated with the Applicant and who have been approved for association or continued association by another SRO due to a Statutory Disqualification.

\* Attach a sheet identifying any such person(s), including the following information:

1. Name and CRD number of the person(s).
2. Copies of documents relating to the Statutory Disqualification.
3. Description of each such person's duties (for non-registered individuals, this should include a statement indicating if the position allows access to books, records, funds or securities).
4. Explanation of action taken or approval given by any other SRO regarding each person.

On behalf of \_\_\_\_\_ (Applicant Broker-Dealer), I hereby attest and affirm that I have read and understand the above and the attached information, and that the answers and the information provided (including copies of any documents) are true and complete to the best of my knowledge. I acknowledge that the Exchange shall rely on the information provided pursuant to this Notice in order to preliminarily approve or deny Applicant for trading privileges, but that the Exchange will also perform a complete background check of Applicant, and such trading privileges may be immediately revoked by the Exchange depending on the results of such background check. I understand that Applicant will be subject to a disciplinary action if false or misleading answers are given pursuant to this Notice. I also acknowledge the obligation of Applicant to submit to the Exchange any amendment to any document submitted as part of its application, including but not limited to this Notice, within ten (10) business days of such amendment or change.

Signature of Authorized  
Officer, Partner, Managing  
Member or Sole Proprietor:

\_\_\_\_\_ Date: \_\_\_\_\_

Print Name:

\_\_\_\_\_ Title: \_\_\_\_\_

## SECTION 7 – SUPERVISION

Each OTP Holder must identify the person(s) that is a member, partner, director, or officer exercising responsibility for supervision of day-to-day compliance and maintenance of the firm's written supervisory procedures ("WSPs"). Additionally, applicants subject to Exchange Act Rule 15c3-1 are required to have a designated Series 27 licensed principal, pursuant to the rules of the Exchange.

Name of Person responsible for maintaining WSPs: \_\_\_\_\_ CRD#: \_\_\_\_\_

Applicant WSPs are enclosed.

Name of Series 27 licensed principal (if applicable): \_\_\_\_\_ CRD#: \_\_\_\_\_

Exchange rules state:

- (a) Adherence to Law – No OTP Holder or Associated Person of an OTP Holder may engage in conduct in violation of the federal securities laws, or the Rules of the Exchange. Every OTP Holder must supervise persons associated with the OTP Holder as to assure compliance therewith.
- (b) Supervisory System – Each OTP Holder for whom the Exchange is DEA must establish and maintain a system to supervise the activities of its associated persons and the operations of its business. Such system must be reasonably designed to ensure compliance with applicable federal securities laws and regulations and Exchange Rules. Final responsibility for proper supervision will rest with the OTP Holder. The OTP Holder's supervisory system must provide, at a minimum, for the following:
  - (1) The establishment and maintenance of written procedures as required by Exchange rules.
  - (2) The designation of a person with authority to reasonably discharge his/her duties and obligations in connection with supervision and control of the activities of the associated persons of the OTP Holder.
  - (3) The OTP Holder must undertake reasonable efforts to determine that all supervisory personnel are qualified by virtue of experience or training to carry out their assigned responsibilities.
  - (4) Each OTP Holder must designate and specifically identify to the Exchange one or more persons who will be responsible for such supervision.
- (c) Written Procedures – Each OTP Holder must establish, maintain, and enforce written procedures to supervise the business in which it engages and to supervise the activities of its associated persons that are reasonably designed to ensure compliance with applicable federal securities laws and regulations, and with the rules of the Exchange.

WSPs should describe the following:

- Specific identification of the individual(s) responsible for supervision – either by name or by title and position.
- The supervisory steps and reviews to be taken by the appropriate supervisor – this process should identify any exception reports and/or other documents being reviewed and the substantive area being reviewed (e.g., limit order protection, trade reporting, etc.). If an OTP Holder employs automated systems as part of its supervisory system, those systems should also be generally described.
- The frequency of such reviews – this should be more specific than simply providing for "a review" or a "review from time to time." The frequency of reviews should be described (i.e., daily, weekly, monthly, quarterly, or annually).
- How reviews will be documented, for example, initialing order tickets or filling out review logs. The procedures should also provide for the documentation of steps taken as a result of supervisory reviews.

For Market Makers, the WSPs and supervisory systems of firms engaged in market making activities must address, at a minimum, trading practice rules (i.e., passive market making, firm quote rule compliance, limit order protection), trading systems, trade reporting, rules compliance and any other material aspect of the firm's market making business. WSPs should include the following subject areas:

- Size conventions
- Coordination of quotations, trades and trade reports
- Improper collaboration and coordination of Market Maker activities
- Failure to honor quotations
- Harassment
- Late and inaccurate trade reporting

**ALL OTP HOLDERS MUST KEEP ABREAST OF CHANGES IN LAWS, RULES AND REGULATIONS, MARKET PRACTICES AND INDICATED PATTERNS OF NON-COMPLIANCE AND MUST MODIFY THEIR SUPERVISORY PROCEDURES AND SYSTEMS AS NECESSARY.**

**SECTION 8 – CLEARING LETTER OF CONSENT**

**Notice of Consent – To be completed by Clearing OTP Holder of Applicant**

The undersigned hereby represents the clearing agency named below, a member of the National Securities Clearing Corporation (“NSCC”), the Options Clearing Corporation (“OCC”), and an approved OTP Holder of NYSE Arca, Inc.

The undersigned clearing agency OTP Holder (“Clearing OTP Holder”) hereby agrees to accept full financial responsibility for all transactions effected through and carried in all accounts held by the following Applicant with the clearing agency:

\_\_\_\_\_  
Applicant Broker-Dealer

\_\_\_\_\_  
Applicant CRD#

This section shall be deemed a letter of guarantee, letter of authorization, or notice of consent pursuant to Exchange rules and may be relied upon by the Exchange, the NSCC, the OCC, and their respective members. This notice of consent shall be subject to Exchange rules, as amended from time to time, and shall remain in effect until revoked in writing by the Clearing OTP Holder.

\_\_\_\_\_  
Clearing OTP Holder (Broker-Dealer Name)

\_\_\_\_\_  
Clearing OTP Holder (OCC Clearing #)

\_\_\_\_\_  
Clearing OTP Holder (NSCC Clearing #)

\_\_\_\_\_  
Signature of Authorized Officer, Partner or  
Managing Member of Clearing OTP Holder

\_\_\_\_\_  
Signature of Authorized Officer, Partner or  
Managing Member, or Sole Proprietor of OTP Holder

\_\_\_\_\_  
Print Name / Title

\_\_\_\_\_  
Print Name / Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# **NYSE Arca, Inc.**

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## ***DEA Application Requirements***

**SECTION 9 - DESIGNATED EXAMINING AUTHORITY (DEA) REQUIREMENTS**

**ITSFEA COMPLIANCE ACKNOWLEDGEMENT**

**This form should be completed by a Director, Officer, General Partner or Individual responsible for ensuring that the Broker-Dealer's ITSFEA Compliance Procedures are followed. In the future, this certification must be completed and filed with the Exchange along with the Broker-Dealer's year-end FOCUS Report (Form X-17A-5).**

Broker-Dealer: \_\_\_\_\_

SEC #. \_\_\_\_\_

The undersigned states and certifies as follows:

It is understood that should any Director, Officer, General Partner or Associated Person (as defined in Exchange rules of the Broker-Dealer acquire material, non-public information concerning a corporation whose securities are publicly traded, it may be a violation of Exchange rules and Federal securities laws to misuse such information or trade any securities issued by the corporation, or any options or other derivative securities based thereon, while such information remains non-public.

It is further understood that should any Director, Officer, General Partner or Associated Person of the Broker-Dealer obtain material, non-public information concerning the market in a security or group of securities, it may be a violation of Exchange rules and Federal securities laws to make improper use of such information in connection with trading in the security, group of securities or any option or other derivative based thereon.

It is also understood that it may be a violation of Exchange rules and Federal securities laws to disclose to any other person or entity any non-public, material corporate or market information that may be acquired regarding a publicly traded security or group of securities.

Additionally, the Broker-Dealer represents that it has established written procedures reasonably designed to prevent misuse of material non-public information by the Broker-Dealer or by any of the Broker-Dealer's Directors, Officers, General Partners or Associated Persons, taking into consideration the nature of the Broker-Dealer's business.

The Individual(s) responsible for overseeing and supervising the specific element of the member firm or organization's ITSFEA Compliance procedures has reviewed (or supervised the review of) the Broker-Dealer's proprietary, error account(s), and any outside brokerage securities accounts of Directors, Officers, General Partners, and Associated Persons with the Broker-Dealer, in accordance with the specific provisions (including timing and type of review) detailed in and required by the firm's written ITSFEA compliance procedures.

Based upon the assessment of the adequacy of those procedures and of the authority and diligence of the person(s) carrying out those procedures (except as to any securities transactions involving the possible misuse of non-public information which already have been reported to the Exchange), there is no reasonable cause to believe that any Director, Officer, General Partner, or Associated Persons of the Broker-Dealer has misused, made improper use of, or disclosed material non-public information, or may otherwise be in violation of Exchange rules

\_\_\_\_\_  
Signature of Authorized Officer, Partner or Managing Member of OTP  
Holder

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name of Authorized Officer, Partner or Managing Member of OTP  
Holder

\_\_\_\_\_  
Title