

# **NYSE Arca, Inc.**

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*Equity Trading Permit Application and Contracts*

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## APPLICATION PROCESS

### Filing Requirements

Prior to submitting the Application for Equity Trading Permit (“ETP”), an Applicant Broker-Dealer 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 Broker-Dealer must complete and submit all applicable materials addressed in the Application Checklist (page 4) to [crs@nyse.com](mailto:crs@nyse.com).

**Note: All application materials sent to NYSE Arca will be reviewed by NYSE Arca’s Client Relationship Services (“CRS”) Department for completeness. The applications are then 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 NYSE Arca Rule 2.4. If you have questions on completing the application, you may direct them to: Client Relationship Services: Email: [crs@nyse.com](mailto:crs@nyse.com) or (212) 896-2830 option 5.**

### Application Process

- Following submission of the Application for Equity Trading Permit and supporting documents to NYSE Arca, Inc. (“NYSE Arca”), the application will be reviewed for accuracy and regulatory or other disclosures. NYSE Arca will submit the application to FINRA for review and approval recommendation.
- If review of Statutory Disqualification Disclosure information and/or a background investigation indicates that the Applicant Broker-Dealer has an associated person(s) with a possible statutory disqualification, NYSE Arca will contact the representative of the Applicant Broker-Dealer to discuss the statutory disqualification process.
- If it appears that the Applicant Broker-Dealer has outstanding debt, civil judgment actions and/or regulatory disciplinary actions, the Applicant Broker-Dealer will be contacted by NYSE Arca 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 NYSE Arca for approval or disapproval without delay.
  - ✓ Applicant Broker-Dealer will be subject to disciplinary action if false or misleading answers are given pursuant to the Application for Equity Trading Permit.
- NYSE Arca 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 NYSE Arca or be approved by NYSE Arca. 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>.
- NYSE Arca will promptly notify the Applicant Broker-Dealer, in writing, of their Membership decision.

In the event an Applicant Broker-Dealer is disapproved by NYSE Arca, the Applicant Broker-Dealer has an opportunity to be heard upon the specific grounds for the disapproval, in accordance with the provisions of NYSE Arca Rule 10.13. A disapproved applicant desiring to be heard must, within thirty (30) calendar days of the date upon which the Corporation's decision was mailed to the applicant, file a petition in accordance with the provisions of Rule 10.13

## APPLICATION CHECKLIST & FEES<sup>1</sup>

### DOCUMENTATION CHECKLIST FOR NON-NYSE ARCA DEA BROKER-DEALER APPLICANTS

- Application for Equity Trading Permit
  - Sections 1-6, and 8-9 are MANDATORY for all applicants
  - Section 7 if applicant is not self-clearing
- Signed Master User Agreement
- Form BD, including Schedules & Disclosure Reporting pages must be up to date and accurate on FINRA's WebCRD®
- 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>2</sup>
  - Direct/Indirect Owners, Allied Persons, and Approved Persons as listed on Form BD Schedules A & B
  - Designated supervisors and principals
- Financial Documentation
  - Four (4) Most Recent FOCUS Reports<sup>3</sup> and the Most Recent Audited Financial Statements, if applicable
  - Most Recent Balance Sheet and Capital Computation
  - Six Month Profit/Loss Projection
- All examination reports and corresponding responses from the Applicant Broker-Dealer for the last two exam reports
- Organizational Documents: Articles of Incorporation and Bylaws; Partnership Agreement; Limited Liability Company ("LLC") Agreements; Operating Agreement; or similar documentation
- Copy of Written Supervisory Procedures<sup>4</sup>, Anti-Money Laundering Procedures, and Insider Trading Act Procedures (if separate)

### DOCUMENTATION CHECKLIST FOR NYSE ARCA DEA BROKER-DEALER APPLICANTS

- Application for Equity Trading Permit
  - Sections 1-6, and 8-10 are MANDATORY for all applicants
  - Section 7 if applicant is not self-clearing
- Signed Master User Agreement
- Form BD, including Schedules & Disclosure Reporting pages must be up to date and accurate on FINRA's WebCRD®
- 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>2</sup>
  - Direct/Indirect Owners, Allied Persons, and Approved Persons as listed on Form BD Schedules A & B
  - Designated supervisors and principals
  - All Authorized Traders
- NYSE Arca AP Form to be completed by persons required to be Approved Persons with the Exchange and for whom the required disclosure information is not available on Web CRD®.
- Financial Documentation
  - Four (4) Most Recent FOCUS Reports<sup>3</sup> and the Most Recent Audited Financial Statements, if applicable
  - Most Recent Balance Sheet and Capital Computation
  - Six Month Profit/Loss Projection
  - Subordination Agreements, if applicable
- Proprietary Accounts of Introducing Broker-Dealers (PAIB) Agreements, if applicable
- All examination reports and corresponding responses from the Applicant Broker-Dealer for the last two exam reports
- Organizational Documents: Articles of Incorporation and Bylaws; Partnership Agreement; Limited Liability Company ("LLC") Agreements; Operating Agreement; or similar documentation
- Copy of Written Supervisory Procedures<sup>4</sup>, Anti-Money Laundering Procedures, and Insider Trading Act Procedures (if separate)

Note: All ETP Holders are responsible for maintaining a list of all Authorized Traders, and such list must be made available to NYSE Arca upon request as required by NYSE Arca Rule 7.30-E.

<sup>1</sup> For a list of fees, please review the "Schedule of Fees and Charges for Exchange Services" found at [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE\\_Arca\\_Marketplace\\_Fees.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf). Additional fees to those listed within this application may apply.

<sup>2</sup> A \$125 Investigation Fee may be required for each Control Person, Allied Person, Approved Person, Designated Supervisor or Authorized Trader (DEA Applicants Only) for whom required information is not available on Web CRD®.

<sup>3</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. Applicant Broker-Dealers 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.

<sup>4</sup> Market Maker applicants must include, but are not limited to, the following NYSE Arca Equity Rules: 6.3 (Prevention of the Misuse of Material, Nonpublic Information), 6.17 (Anti-Money Laundering Compliance Program), 6.18 (Supervision), and 7.20 – 7.25 (Market Makers).

## EXPLANATION OF TERMS

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

**Applicant Broker-Dealer** – is the Broker-Dealer organization applying for an Equity Trading Permit 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 ETP Holder or any person directly or indirectly controlling, controlled by or under common control with an ETP Holder.

**Authorized Trader** – a person who may submit orders to NYSE Arca, LLC's trading facilities on behalf of his or her ETP Holder or Sponsored Participant.

**Clearing Services** - a Broker-Dealer who receives and executes customers' instructions, prepares trade confirmations, sends the money related to the trades, arranges for the physical movement of securities, and shares responsibility with an introducing broker-dealer for compliance with regulatory requirements.

**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.

**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.

**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 ETP 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 Authorized Trader(s) ("AT") (as defined in NYSE Arca Rule 1.1(e)).

**Direct Owners/Executive Officers** – Allied Persons and Approved Persons, as those terms are defined by NYSE Arca Rules 1.1(b) and 1.1(c), respectively, and generally refer to (1) a director, general partner or officer exercising executive responsibility (or having similar status or function); or (2) directly or indirectly has the right to vote 5% or more of a class of voting security or has the power to sell or direct the sale of 5% or more of a class of voting securities; (3) is entitled to receive 5% or more of the net profits; (4) in the case of a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution or have contributed, 5% or more of the capital; or (5) in the case of a LLC, those members that have the right to receive upon dissolution, or have contributed, 5% or more of the LLC's capital, and if managed by elected managers, all elected managers.

**ETP or ETP Holder**– an Equity Trading Permit issued by the Corporation for effecting approved securities transactions on the Corporation's trading facilities. An ETP 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 Corporation.

**Financial Arrangement** – (1) the direct financing of an ETP 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.

**Market Maker** -is obligated to maintain continuous two-sided Q Orders in those securities in which the Market Maker is registered to trade, pursuant to NYSE Arca Rule 7.23-E

**Market Maker Authorized Trader ("MMAT")** – an authorized trader who performs market-making activities pursuant to NYSE Arca Rule 7.21-E, on behalf of a Market Maker.

**NYSE Arca, Inc. ("NYSE Arca" or the "Corporation")** – a Delaware corporation as described in the Corporation'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 the Self-Regulatory Organization for NYSE Arca, LLC

**NYSE Arca, LLC** – The equities marketplace and a trading facility of NYSE Arca, Inc.

**Primary Business** – refers to greater than 50% of the ETP 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.

# **NYSE Arca, Inc.**

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***Equity Trading Permit Application and Clearing Letter of Consent***

**SECTION 1 – ORGANIZATIONAL PROFILE**

Date: \_\_\_\_\_ SEC #: \_\_\_\_\_ CRD #: \_\_\_\_\_

LEI #: \_\_\_\_\_ MPID: \_\_\_\_\_

**GENERAL INFORMATION**

Name of Applicant Broker-Dealer: \_\_\_\_\_

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 EQUITY TRADING PERMIT (Check all that apply)**
 Market Maker\*
  Public Customer Business
  Clearing Services
  Proprietary Trading

 Other \_\_\_\_\_

\* Please also complete Application for Market Maker Registration

**OTHER BUSINESS ACTIVITIES CONDUCTED BY APPLICANT BROKER DEALER (Check all that apply)**
 Investment Banking
  Public Customer Business
  Options Market Making

 Proprietary Trading
  Other \_\_\_\_\_
**OTHER SELF-REGULATORY ORGANIZATION MEMBERSHIPS (Check all that apply)**
 NYSE American
  New York Stock Exchange (NYSE)

 Chicago Board Options Exchange (CBOE)
  Chicago Stock Exchange (CHX)

 International Securities Exchange (ISE)
  Boston Stock Exchange (BSE)

 Financial Industry Regulatory Authority, Inc. (FINRA)
  Nasdaq Stock Market (NQX)

 Philadelphia Stock Exchange (PHLX)
  BATS (BATS)

 Investors' Exchange LLC (IEX)
**APPLICANT'S DESIGNATED EXAMINING AUTHORITY ("DEA")**
 NYSE Arca, Inc.
  Other \_\_\_\_\_

**SECTION 2 - MEMBERSHIP AGREEMENT**

Applicant Broker-Dealer agrees to abide by the Bylaws and Rules of NYSE Arca, Inc., as amended from time to time, and all circulars, notices, interpretations, directives or decisions adopted by NYSE Arca, Inc.

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

Applicant Broker-Dealer 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 Broker-Dealer's DEA. It is understood that in that event, additional information may be required by NYSE Arca.

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name of Authorized Officer, Partner, Managing Member, or Sole Proprietor

\_\_\_\_\_  
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>5</sup> and most recent Audited Financial Statements, and all examination reports and corresponding responses.

**SOURCE OF CAPITAL**

Explain the source of Applicant Broker-Dealer's Capital

\_\_\_\_\_

**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 Broker-Dealer?  Yes (Explain below)  No

\_\_\_\_\_

\_\_\_\_\_

**FINANCIAL OR CONTROLLING INTERESTS**

Does the Applicant Broker-Dealer 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

\_\_\_\_\_

\_\_\_\_\_

**FINANCIAL ARRANGEMENT**

Does the Applicant Broker-Dealer 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):

\_\_\_\_\_

\_\_\_\_\_

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

Does the Applicant Broker-Dealer owe money to any of the following?

- Any NYSE Arca member or member organization or NYSE Arca ETP 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 Broker-Dealer does not owe money to any of the above referenced persons or entities.

<sup>5</sup> Applicant Broker-Dealers 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.  
 NYSE Arca ETP Application - November 2017

**SECTION 4 – DIRECT OWNERS / INDIRECT OWNERS / EXECUTIVE OFFICERS**

Please list the following individuals: (A) each Allied Person as defined in NYSE Arca Rule 1.1(b)<sup>6</sup>; (B) each Approved Person as defined in NYSE Arca Rule 1.1(c)<sup>7</sup>; and (C) each Person as defined in NYSE Arca Rule 11.18(b)(2)<sup>8</sup>.

You may submit multiple copies of this form, if needed, or attach a copy of Schedule A and Schedule B of Form BD.

**APPLYING AS:**       **ALLIED PERSON**       **APPROVED PERSON**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ CRD# \_\_\_\_\_

Firm Name:: \_\_\_\_\_ Phone: \_\_\_\_\_

Designated Supervisor of Authorized Traders

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

Form U4 and fingerprint information<sup>8</sup> is current and accessible for this person on Web CRD™

**APPLYING AS:**       **ALLIED PERSON**       **APPROVED PERSON**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ CRD# \_\_\_\_\_

Firm Name:: \_\_\_\_\_ Phone: \_\_\_\_\_

Designated Supervisor of Authorized Traders

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

Form U4 and fingerprint information<sup>8</sup> is current and accessible for this person on Web CRD™

**APPLYING AS:**       **ALLIED PERSON**       **APPROVED PERSON**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ CRD# \_\_\_\_\_

Firm Name:: \_\_\_\_\_ Phone: \_\_\_\_\_

Designated Supervisor of Authorized Traders

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

Form U4 and fingerprint information<sup>8</sup> is current and accessible for this person on Web CRD™

**APPLYING AS:**       **ALLIED PERSON**       **APPROVED PERSON**

Name: \_\_\_\_\_ Title: \_\_\_\_\_ CRD# \_\_\_\_\_

Firm Name:: \_\_\_\_\_ Phone: \_\_\_\_\_

Designated Supervisor of Authorized Traders

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

Form U4 and fingerprint information<sup>8</sup> is current and accessible for this person on Web CRD™

<sup>6</sup> Pursuant to NYSE Arca Rule 1.1(b), the term "Allied Person" shall refer to an individual, who is: (1) an employee of an ETP Holder who controls such firm, or (2) an employee of an ETP Holder corporation who is a director or a principal executive officer of such corporation, or (3) an employee of an ETP Holder limited liability company who is a manager or a principal executive officer of such limited liability company, or (4) a general partner in an ETP Holder partnership; and who has been approved by the Corporation as an Allied Person.

<sup>7</sup> Pursuant to NYSE Arca s Rule 1.1(c), the term "Approved Person" shall refer to a person who is not an ETP Holder, nor an employee or an Allied Person of an ETP Holder, and who: (1) is a director of an ETP Holder, or (2) controls an ETP Holder, or (3) beneficially owns, directly or indirectly, 5% or more of the outstanding equity securities of an ETP holder, or (4) has contributed 5% or more of the partnership capital; and who has been approved by the Corporation as an Approved Person.

<sup>8</sup> NYSE Arca Rule 11.18(b)(2) refers to 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 ETP Holder. Pursuant to NYSE Arca Rule 1.1(f), the term "Associated Person" shall refer to a person who is a partner, officer, director, member of a limited liability company, trustee of a business trust, employee of an ETP Holder or any person directly or indirectly controlling, controlled by or under common control with an ETP Holder.

**SECTION 5 – STATUTORY DISQUALIFICATION DISCLOSURE**

Pursuant to the Securities Exchange Act of 1934, as amended ("the Act"), NYSE Arca, Inc. ("NYSE Arca") may deny (or may condition) trading privileges or may bar a natural person from becoming associated (or may condition an association) with an ETP 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 Broker-Dealer who is or may be subject to Statutory Disqualification.

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

Please identify any such person(s) associated with the Applicant Broker-Dealer who is or may be subject to Statutory Disqualification. Additionally, identify any such person(s) who are associated with the Applicant Broker-Dealer 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 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 NYSE Arca shall rely on the information provided pursuant to this Notice in order to preliminarily approve or deny Applicant Broker-Dealer's application for trading privileges, but that NYSE Arca will also perform a complete background check of Applicant Broker-Dealer, and such trading privileges may be immediately revoked by NYSE Arca depending on the results of such background check. I understand that Applicant Broker-Dealer 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 Broker-Dealer to submit to NYSE Arca 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 of Authorized Officer, Partner, Managing Member, or Sole Proprietor

\_\_\_\_\_  
Title

## SECTION 6 – SUPERVISION

Each ETP Holder must identify the person(s) that is a member, partner, director, or officer exercising executive responsibility (or having similar status or functions) for supervising an Authorized Trader(s) as defined in NYSE Arca Rule 1.1(e). ETP Holders must provide a copy of their Written Supervisory Procedures (“WSP”) with their Application.

Name and Title of Person responsible for maintaining WSPs: \_\_\_\_\_

NYSE Arca Rules state:

- (a) Adherence to Law – No Equity Trading Permit Holder or Associated Person of an Equity Trading Permit Holder may engage in conduct in violation of the federal securities laws, the Constitution or the Rules of the Exchange. Every Equity Trading Permit Holder must supervise persons associated with the Equity Trading Permit Holder as to assure compliance therewith.
- (b) Supervisory System – Each Equity Trading Permit Holder for whom NYSE Arca 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 NYSE Arca Rules. Final responsibility for proper supervision will rest with the Equity Trading Permit Holder. The Equity Trading Permit Holder’s supervisory system must provide, at a minimum, for the following:
  - (1) The establishment and maintenance of written procedures as required by paragraph (c) of this Rule.
  - (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 Equity Trading Permit Holder.
  - (3) The Equity Trading Permit 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 Equity Trading Permit Holder must designate and specifically identify to NYSE Arca one or more persons who will be responsible for such supervision.
- (c) Written Procedures – Each Equity Trading Permit 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 NYSE Arca Rules.

Pursuant to this rule, 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 ETP 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 EQUITY TRADING PERMIT 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 7 – CLEARING LETTER OF CONSENT**

**Notice of Consent – To be completed by Clearing ETP Holder of Application Broker-Dealer**

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

The undersigned Clearing ETP Holder hereby agrees to accept full financial responsibility for all transactions effected through and carried in all accounts held by the following Applicant Broker-Dealer with the clearing agency:

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

\_\_\_\_\_  
CRD# and/or SEC File#

This section shall be deemed a letter of guarantee, letter of authorization, or notice of consent pursuant to NYSE Arca Rules and may be relied upon by NYSE Arca, Inc., the NSCC, and their respective members. This Notice of Consent shall be subject to NYSE Arca Rules, as amended from time to time, and shall remain in effect until revoked in writing by the Clearing ETP Holder.

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

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

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

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

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# **NYSE Arca, Inc.**

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## ***Contracts***

## **SECTION 8 - ARCHIPELAGO SECURITIES™ ROUTING AGREEMENT**

Provided that User is an ETP Holder of NYSE Arca and subject to a valid, ongoing User Agreement with NYSE Arca, LLC; Archipelago Securities, LLC (hereinafter "Archipelago Securities"), a broker-dealer registered in accordance with Section 15(a) of the Securities Exchange Act of 1934, agrees to act as agent to User for the purpose of providing certain routing services, as described herein, provided that User is bound by the terms and conditions of this Routing Agreement and any applicable rules and interpretations of NYSE Arca Rules. Whereas Archipelago Securities provides certain order routing services for NYSE Arca, and User desires to use the order routing facilities of NYSE Arca, for good and valuable consideration, User and Archipelago Securities agree as follows:

### **1. ROUTING SERVICES.**

Archipelago Securities, a wholly owned subsidiary of Archipelago Holdings, Inc., agrees to act as agent of the User for routing orders entered into NYSE Arca to the applicable market centers or broker-dealers for execution, whenever such routing is required in accordance with NYSE Arca Rules. User understands and agrees that orders executed on its behalf shall at all times be subject to the terms and conditions of NYSE Arca Rules.

### **2. ORDERS NOT ELIGIBLE FOR ROUTING SERVICES.**

User agrees that Archipelago Securities will not execute any orders that are not eligible for order routing in accordance with NYSE Arca Rules. For example, NYSE Arca Rules may provide that if a User has indicated that an order must not be routed to another market center for execution (*i.e.*, by designating an order as a fill-or-return or fill-or-return plus order), the order will not be eligible for routing services provided by Archipelago Securities.

### **3. CANCELLATION; MODIFICATION OF ORDERS.**

User agrees that any requests regarding cancellation or modification of orders shall be subject to NYSE Arca Rules. User understands that such rules may provide that requests to cancel orders while the order is routed away to another market center and remains outside NYSE Arca will be processed by Archipelago Securities, subject to the applicable trading rules of the relevant market center.

### **4. TRANSMISSION OF ORDER INSTRUCTIONS.**

User agrees that all orders on its behalf must be transmitted to Archipelago Securities through NYSE Arca. User agrees that NYSE Arca is its exclusive mechanism for purposes of transmitting orders on its behalf to Archipelago Securities and for receiving notice regarding such orders. Archipelago Securities shall be entitled to rely upon and act in accordance with any order instructions received from NYSE Arca on behalf of User. User agrees that all order executions effected on behalf of User pursuant to this agreement shall be reported by Archipelago Securities to NYSE Arca. The User shall be notified of such executions through NYSE Arca.

### **5. CLEARANCE AND SETTLEMENT.**

User agrees that all transactions executed on its behalf shall be processed in accordance with NYSE Arca Rules. If User is an ETP Holder, User agrees that orders executed on its behalf by Archipelago Securities shall be automatically processed by NYSE Arca for clearance and settlement on a locked-in basis. If User is a Sponsored Participant, User agrees that all orders executed on its behalf by Archipelago Securities shall be cleared and settled, using the relevant Sponsoring ETP Holder's mnemonic (or its clearing firm's mnemonic as applicable).

### **6. TERM OF AGREEMENT.**

This Routing Agreement will be effective as of the Effective Date and will remain in effect thereafter until terminated by either party upon notice to the other party. Termination will be effective at the close of trading in the affected markets and applications on the day that notice of termination is received by the other party hereto. Archipelago Securities may terminate this Routing Agreement immediately if (i) the User is in breach of this Routing Agreement for any reason, (ii) any representations made by the User in connection with this Agreement or the User Agreement are or become false or misleading or (iii) User is no longer a ETP Holder or Sponsored Participant of NYSE Arca or otherwise authorized to access NYSE Arca. Upon the termination of this Agreement or the User Agreement for any reason, all rights granted to User hereunder will cease. The provisions of Paragraphs 7, 8, 9 and 10 will survive the termination or expiration of this Routing Agreement for any reason. In no event will termination of this Routing Agreement relieve User of any obligations incurred through its use of NYSE Arca.

## SECTION 8 - ARCHIPELAGO SECURITIES™ ROUTING AGREEMENT (CONTINUED)

### 7. INDEMNITY.

User agrees to indemnify, defend and hold Archipelago Securities harmless from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, and attorneys' fees, arising from or as a result of User's breach of its obligations under this Agreement or otherwise from its use of the Archipelago Securities routing services.

### 8. DISCLAIMER OF WARRANTY.

ROUTING SERVICES ARE PROVIDED "AS IS" AND WITHOUT WARRANTY OF ANY KIND. ALL WARRANTIES, CONDITIONS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES WITH RESPECT TO THE ROUTING SERVICE, WHETHER EXPRESS, IMPLIED, OR STATUTORY, ARISING BY LAW, CUSTOM, PRIOR ORAL OR WRITTEN STATEMENTS BY ARCHIPELAGO SECURITIES, NYSE ARCA OR ITS OR THEIR AGENTS, AFFILIATES, LICENSORS OR OTHERWISE (INCLUDING, BUT NOT LIMITED TO ANY WARRANTY OF SATISFACTORY QUALITY, ACCURACY, UNINTERRUPTED USE, TIMELINESS, TRUTHFULNESS, SEQUENCE, COMPLETENESS, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR NON-INFRINGEMENT AND ANY IMPLIED WARRANTIES ARISING FROM TRADE USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE) ARE HEREBY OVERRIDDEN, EXCLUDED AND DISCLAIMED.

### 9. NO LIABILITY FOR TRADES.

USER UNDERSTANDS AND AGREES THAT (I) ARCHIPELAGO SECURITIES IS NOT LIABLE IN ANY MANNER TO ANY PERSON (INCLUDING WITHOUT LIMITATION THE USER AND ANY PERSON FOR WHOM THE USER IS AUTHORIZED TO TRADE OR ACT) FOR THE FAILURE OF ANY PERSON ENTERING INTO A TRADE OR TRANSACTION BY MEANS OF NYSE ARCA TO PERFORM SUCH PERSON'S SETTLEMENT OR OTHER OBLIGATIONS UNDER SUCH TRADE OR TRANSACTION. NEITHER ARCHIPELAGO SECURITIES, OR ITS AGENTS, AFFILIATES OR LICENSORS WILL BE LIABLE FOR ANY LOSSES, DAMAGES, OR OTHER CLAIMS, ARISING OUT OF THE ROUTING SERVICE OR ITS USE. ANY LOSSES, DAMAGES, OR OTHER CLAIMS, RELATED TO A FAILURE OF ARCHIPELAGO SECURITIES TO DELIVER, DISPLAY, TRANSMIT, EXECUTE, COMPARE, SUBMIT FOR CLEARANCE AND SETTLEMENT, OR OTHERWISE PROCESS AN ORDER, MESSAGE, OR OTHER DATA ENTERED INTO, OR CREATED BY, NYSE ARCA WILL BE ABSORBED BY THE USER OR THE ETP HOLDER SPONSORING THE USER, THAT ENTERED THE ORDER, MESSAGE OR OTHER DATA INTO NYSE Arca. IF THIS SECTION IS DEEMED TO CONFLICT WITH ANY OTHER SECTION OF THIS USER AGREEMENT, THIS SECTION WILL SUPERCEDE SUCH OTHER SECTION.

**10. NO CONSEQUENTIAL DAMAGES.** UNDER NO CIRCUMSTANCES WILL ARCHIPELAGO SECURITIES, NYSE ARCA OR ITS OR THEIR AGENTS, AFFILIATES OR LICENSORS BE LIABLE FOR ANY LOSS, DAMAGE, CLAIM OR EXPENSE, INCLUDING WITHOUT LIMITATION ANY DIRECT, CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE OR INCIDENTAL DAMAGES OR LOST PROFITS, WHETHER FORESEEABLE OR UNFORESEEABLE, BASED ON USER'S CLAIMS OR THE CLAIMS OF ITS CUSTOMERS, EMPLOYEES OR AGENTS (INCLUDING, BUT NOT LIMITED TO, CLAIMS FOR LOSS OF DATA, GOODWILL, USE OF MONEY OR USE OF ROUTING SERVICES, INTERRUPTION IN USE OR AVAILABILITY OF ARCHIPELAGO SECURITIES, STOPPAGE OF OTHER WORK OR IMPAIRMENT OF OTHER ASSETS), ARISING OUT OF BREACH OR FAILURE OF EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE. THIS SECTION WILL NOT APPLY ONLY WHEN AND TO THE EXTENT THAT APPLICABLE LAW SPECIFICALLY REQUIRES LIABILITY, DESPITE THE FOREGOING EXCLUSION AND LIMITATION.

### 11. ASSIGNMENT.

User shall not assign, delegate or otherwise transfer this Routing Agreement or any of its rights or obligations hereunder without Archipelago Securities' prior approval, which will not be unreasonably withheld. Archipelago Securities may assign or transfer this Routing Agreement or any of its rights or obligations hereunder to a related or unrelated party upon notice to User.

### 12. FORCE MAJEURE.

Notwithstanding any other term or condition of this Routing Agreement to the contrary, neither Archipelago Securities nor User will be obligated to perform or observe their obligations undertaken in this Routing Agreement if prevented or hindered from doing so by any circumstances found to be beyond their control.



**SECTION 8 - ARCHIPELAGO SECURITIES™ ROUTING AGREEMENT (CONTINUED)**

**13. MISCELLANEOUS.**

All notices or approvals required or permitted under this Routing Agreement must be given in writing to the address specified above. Any waiver or modification of this Routing Agreement will not be effective unless executed in writing and signed by the other party, provided that this agreement shall at all times be interpreted to effect the rules and interpretations of NYSE Arca, as applicable. This Routing Agreement will bind each party's successors-in-interest. This Routing Agreement will be governed by and interpreted in accordance with the internal laws of the State of New York, USA. All disputes, claims or controversies between the parties hereto will be submitted to arbitration in New York, New York. This Routing Agreement, together with the applicable NYSE Arca Rules, constitutes the complete and entire statement of all conditions and representations of the agreement between Archipelago Securities and User with respect to its subject matter and supersedes all prior writings or understandings.

Accepted on behalf of ETP Holder:

By (Signature): \_\_\_\_\_

Name: \_\_\_\_\_

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

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

**SECTION 9 – INDIVIDUAL REGISTRATION**

Provide the information requested below for each of the requested individuals associated with the Applicant Broker-Dealer. Pursuant to NYSE Arca Rule 11.18, all applicants must designate a Series 24 licensed principal. Applicants subject to Exchange Act Rule 15c3-1 are required to have a designated Series 27 licensed principal, pursuant to NYSE Arca Rule 4.5-E. Additionally, Authorized Traders for whom NYSE Arca will be the DEA are required to have successfully passed the Series 7 examination, pursuant to NYSE Arca Rule 2.5. Proof of examination requirements, fingerprint card submission, and Form U-4s should be submitted by the Applicant to Web CRD® for review by NYSE Arca.

**DESIGNATED SERIES 24 LICENSED PRINCIPAL**

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

**DESIGNATED SERIES 27 LICENSED PRINCIPAL**

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

**AUTHORIZED TRADER**

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

**AUTHORIZED TRADER**

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

**AUTHORIZED TRADER**

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

**AUTHORIZED TRADER**

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

Additional Authorized Traders are submitted in a separate document attached hereto

**SECTION 9 (CONTINUED) - 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 equities 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 Clearing**

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

**Head of Connectivity**

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

**Head of Trading**

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

# **NYSE Arca Inc.**

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## ***DEA Application Requirements***

**SECTION 10- 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 NYSE Arca 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 NYSE Arca Rule 1.1(d)) of the Broker-Dealer acquire material, non-public information concerning a corporation whose securities are publicly traded, it may be a violation of NYSE Arca 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 NYSE Arca 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 NYSE Arca 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 NYSE Arca), 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 NYSE Arca Rule 1.3.

Accepted on behalf of ETP Holder:

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name of Authorized Officer, Partner, Managing Member, or Sole Proprietor

\_\_\_\_\_  
Title