Martha Redding
Associate General Counsel
Assistant Secretary

New York Stock Exchange
11 Wall Street
New York, NY 10005

February 23, 2018

VIA E-MAIL

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Securities Exchange Act Rel. 34-81310 (SR-NYSE-2017-36)

Dear Mr. Fields:

NYSE LLC, Inc. filed the attached Amendment No. 1 to the above-referenced filing on February 23, 2018.

Sincerely,

(Encl. Amendment No. 1 to SR-NYSE-2017-36)

OMB APPROVAL

OMB Number: 3235-0045
Estimated average burden
hours per response............38

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2017 - * 36
Amendment No. (req. for Amendments *) 1

Filing by New York Stock Exchange LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☐	☑	☐	☑	☐	☐

Rule

Pilot	Extension of Time Period for Commission Action *	Date Expires *		
☐	☐		☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
			☐ 19b-4(f)(2)	☐ 19b-4(f)(5)
			☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposes rules for trading UTP Securities on Pillar the Exchange new trading technology platform, including orders and modifiers, order ranking and display, and order execution and routing

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Clare
Last Name * Saperstein
Title * Associate General Counsel NYSE Group Inc
E-mail * [redacted]
Telephone * [redacted]
Fax [redacted]

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 02/23/2018

By Martha Redding
(Name *)

(Title *)
Assistant Secretary

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Martha Redding, [redacted]

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)[1] and Rule 19b-4 thereunder,[2] New York Stock Exchange LLC (“NYSE” or the “Exchange”) proposes rules for trading UTP Securities on Pillar, the Exchange’s new trading technology platform, including rules governing orders and modifiers, order ranking and display, and order execution and routing. This Amendment No. 1 replaces and supersedes the original filing of SR-NYSE-2017-36 in its entirety.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached as Exhibit 5.

(b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action by the Board of Directors or the membership of the Exchange is required. Therefore, the Exchange’s internal procedures with respect to the proposed change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Clare F. Saperstein
Associate General Counsel
NYSE Group, Inc.
[redacted]

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

On January 29, 2015, the Exchange announced the implementation of Pillar,

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

which is an integrated trading technology platform designed to use a single specification for connecting to the equities and options markets operated by the Exchange and its affiliates, NYSE Arca, Inc. ("NYSE Arca") and NYSE American LLC ("NYSE American").[3] NYSE Arca's cash equities market was the first trading system to migrate to Pillar.[4] NYSE American's cash equities market transitioned to Pillar on July 24, 2017.[5]

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3 See Trader Update dated January 29, 2015, available here: www.nyse.com/pillar.

4 In connection with the NYSE Arca implementation of Pillar, NYSE Arca filed four rule proposals relating to Pillar. See Securities Exchange Act Release Nos. 74951 (May 13, 2015), 80 FR 28721 (May 19, 2015) (Notice) and 75494 (July 20, 2015), 80 FR 44170 (July 24, 2015) (SR-NYSEArca-2015-38) (Approval Order of NYSE Arca Pillar I Filing, adopting rules for Trading Sessions, Order Ranking and Display, and Order Execution); Securities Exchange Act Release Nos. 75497 (July 21, 2015), 80 FR 45022 (July 28, 2015) (Notice) and 76267 (October 26, 2015), 80 FR 66951 (October 30, 2015) (SR-NYSEArca-2015-56) (Approval Order of NYSE Arca Pillar II Filing, adopting rules for Orders and Modifiers and the Retail Liquidity Program); Securities Exchange Act Release Nos. 75467 (July 16, 2015), 80 FR 43515 (July 22, 2015) (Notice) and 76198 (October 20, 2015), 80 FR 65274 (October 26, 2015) (SR-NYSEArca-2015-58) (Approval Order of NYSE Arca Pillar III Filing, adopting rules for Trading Halts, Short Sales, Limit Up-Limit Down, and Odd Lots and Mixed Lots); and Securities Exchange Act Release Nos. 76085 (October 6, 2015), 80 FR 61513 (October 13, 2015) (Notice) and 76869 (January 11, 2016), 81 FR 2276 (January 15, 2016) (Approval Order of NYSE Arca Pillar IV Filing, adopting rules for Auctions). NYSE Arca Equities, Inc., which was a wholly-owned corporation of NYSE Arca, has been merged with and into NYSE Arca and as a result, certain former NYSE Arca Equities rules are now the rules of NYSE Arca using the same rule number but with an additional suffix of "-E" added to each rule. See Securities Exchange Act Release No. 81419 (August 17, 2017), 82 FR 40044 (August 23, 2017) (SR-NYSEArca-2017-40) (Approval Order).

5 In connection with the NYSE American implementation of Pillar, NYSE American filed several rule changes. See Securities Exchange Act Release Nos. 79242 (November 4, 2016), 81 FR 79081 (November 10, 2016) (SR-NYSEMKT-2016-97) (Notice and Filing of Immediate Effectiveness of Proposed Rule Change of framework rules); 81038 (June 28, 2017), 82 FR 31118 (July 5, 2017) (SR-NYSEMKT-2016-103) (Approval Order) (the "ETP Listing Rules Filing"); 80590 (May 4, 2017), 82 FR 21843 (May 10, 2017) (Approval Order) (NYSE MKT rules governing automated trading); 80577 (May 2, 2017), 82 FR 21446 (May 8, 2017) (SR-NYSEMKT-2017-04) (Approval Order) (NYSE MKT rules governing market makers); 80700 (May 16, 2017), 82 FR 23381 (May 22, 2017) (SR-NYSEMKT-2017-05) (Approval Order) (NYSE MKT rules governing delay mechanism). NYSE American was previously known as NYSE MKT LLC. See Securities Exchange Act Release No. 80748 (May 23, 2017), 82 FR 24764, 24765

Overview

The NYSE serves a unique role in the U.S. market as the only cash equities exchange that still has an active Trading Floor.[6] Member organizations that operate a Floor broker business play a vital role in that model, through participation in auctions and point-of-sale trading with other members on the Floor. Under Exchange rules, member organizations that operate a Floor broker business are eligible for parity allocations for liquidity-providing orders that are entered on the Floor.[7] Because Floor brokers operate an agency-only business, such parity allocations always accrue to their customers. All other national securities exchanges use a price-time allocation methodology. On an exchange with price-time allocation, the order resting on the book that arrived first will be executed in full before other orders at that same price are executed. In this way, a price-time allocation creates incentives for market participants to invest in technology and use the fastest telecommunication lines. While the Exchange does not contend there is anything wrong with price-time allocation, it believes that a parity allocation model serves as a choice to investors that are not driven by speed and that value the service an agency Floor broker can provide in managing order flow. The Exchange currently offers this choice for trading in its listed securities and is proposing to offer investors that same choice in other NMS securities.

Currently, the Exchange only trades securities listed on the Exchange. With Pillar, the Exchange proposes to expand its offering and introduce trading of UTP Securities.[8] Because trading in UTP Securities on the Exchange is designed to

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(SR-NYSEMKT-2017-20) (Notice of filing and immediate effectiveness of proposed rule change to change the name of NYSE MKT to NYSE American).

6 The term “Floor” means the trading Floor of the Exchange and the premises immediately adjacent thereto, such as the various entrances and lobbies of the 11 Wall Street, 18 New Street, 8 Broad Street, 12 Broad Street and 18 Broad Street Buildings, and also means the telephone facilities available in these locations. See Rule 6. The term “Trading Floor” means the restricted-access physical areas designated by the Exchange for the trading of securities, commonly known as the "Main Room" and the "Buttonwood Room," but does not include (i) the areas in the "Buttonwood Room" designated by the Exchange where NYSE American-listed options are traded, which, for the purposes of the Exchange's Rules, shall be referred to as the "NYSE American Options Trading Floor" or (ii) the physical area within fully enclosed telephone booths located in 18 Broad Street at the Southeast wall of the Trading Floor. See Rule 6A.

7 See NYSE Rules 70 and 72.

8 The term “UTP Security” means a security that is listed on a national securities exchange other than the Exchange and that trades on the Exchange pursuant to unlisted trading privileges. See Rule 1.1(ii). The Exchange has authority to

complement and be an extension of the current trading services it offers, customer orders in both Exchange-listed securities and UTP Securities entered by Floor brokers while on the Floor would have consistent allocation behavior. Accordingly, the Exchange proposes that trading in UTP Securities would be subject to a parity allocation model that is similar to the existing allocation model for Exchange-listed securities, with modifications described below.

Unlike the trading of listed securities on the Exchange, the Exchange would not conduct any auctions in UTP Securities.[9] Even though DMMs would not be assigned to UTP Securities, the Exchange proposes to offer point-of-sale trading of UTP Securities for Floor brokers on the Trading Floor for crossing transactions. Accordingly, member organizations that operate Floor broker operations would be able to represent their customers' orders in UTP Securities under both current rules relating to manual transactions on the Trading Floor and proposed rules relating to trading on the Pillar trading platform. As with listed securities, member organizations approved as Supplemental Liquidity Providers would be eligible to be assigned UTP Securities.[10]

Member organizations trading UTP Securities would continue to be required to comply with Section 11(a)(1) of the Act, 15 U.S.C. 78k(a)(1), and any applicable exceptions thereto as are currently applicable to trading on the Exchange. As described below, trading by Floor brokers on the Trading Floor at the point of sale for UTP Securities, also referred to as "manual trading" or "manual transactions," would continue to be subject to current rules relating to such trading. In addition, all trading by Floor brokers in UTP Securities (whether manual or electronic transactions) on the Exchange would continue to be subject to rules that are unique to Floor brokers, including Rules 95 (Discretionary Transactions), 122 (Orders with More than One Broker), 123 (Record of Orders), and paragraphs (d) – (j) of Rule 134 and related Supplementary Material (requirement for Floor brokers to maintain an error account).

With the exception of specified point-of-sale trading for Floor brokers, trading in UTP Securities would be subject to the Pillar Platform Rules, as set forth in Rules

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extend unlisted trading privileges to any security that is an NMS Stock that is listed on another national securities exchange or with respect to which unlisted trading privileges may otherwise be extended in accordance with Section 12(f) of the Act. See Rule 5.1(a)(1).

9 The Exchange will continue to trade NYSE-listed securities on its current trading platform without any changes. The Exchange will transition trading in NYSE-listed securities to Pillar at a separate date, which will be the subject of separate proposed rule changes.

10 See Rule 107B, which the Exchange is proposing to amend, see infra.

1P – 13P.[11] With this proposed rule change, the Exchange proposes changes to Rule 7P Equities Trading that would govern such trading in UTP Securities. The proposed rules are based in part on the rules of NYSE Arca and NYSE American, with the following substantive differences:

- Consistent with the Exchange's current allocation model, trading in UTP Securities on the Exchange would be a parity allocation model with a setter priority allocation for the participant that sets the BBO.[12]
- The Exchange would not offer a Retail Liquidity Program and related order types (Retail Orders and Retail Price Improvement Orders) for UTP Securities.
- The Exchange would not conduct auctions in UTP Securities.
- The Exchange would offer two trading sessions, with the Early Trading Session beginning at 7:00 a.m. Eastern Time.
- The Exchange is not proposing to offer the full suite of order instructions and modifiers that are available on NYSE Arca and NYSE American.

Subject to rule approvals, the Exchange will announce the implementation of trading UTP Securities on the Pillar trading system by Trader Update, which the Exchange anticipates will be in the second quarter of 2018.

<u>Applicability of Current Rules on Trading UTP Securities on Pillar</u>

Once trading in UTP Securities on the Pillar trading platform begins, specified current Exchange trading rules would not be applicable for trading UTP Securities. As described in more detail below, for each current rule that would not be applicable for trading on the Pillar trading platform, the Exchange proposes to state in a preamble to such rule that "this rule is not applicable to trading UTP Securities on the Pillar trading platform." Current Exchange rules governing equities trading that do not have this preamble will govern Exchange operations on Pillar.[13]

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[11] <u>See</u> Securities Exchange Act Release Nos. 76803 (December 30, 2015), 81 FR 536 (January 6, 2016) (SR-NYSE-2015-67) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change) ("Framework Filing"); and 80214 (March 10, 2017), 82 FR 14050 (March 16, 2017) (SR-NYSE-2016-44) (Approval Order) ("ETP Listing Rules Filing"). <u>See</u> <u>also</u> SR-NYSE-2017-35.

[12] The term "BBO" means the best bid or offer on the Exchange. <u>See</u> Rule 1.1(h).

[13] <u>See</u> Securities Exchange Act Release No. 81225 (July 27, 2017), 82 FR 36033 (August 2, 2017) (SR-NYSE-2017-35) (Notice of filing to amend certain Exchange rules to add a preamble that such rules would not be applicable to trading UTP Securities on the Pillar trading platform).

The Exchange proposes that current rules governing Floor-based crossing transactions would be applicable to trading in UTP Securities. As with crossing transactions for Exchange-listed securities, any such cross transactions must meet the requirements of current Rule 76. However, unlike trading in Exchange-listed securities, because UTP Securities would not be assigned to a trading post with a DMM, the trading crowd for such trading, i.e., the point of sale, would be a physical location on the Trading Floor designated by the Exchange and staffed by an Exchange employee.

Because the Exchange proposes to provide for Floor crossing transactions in UTP Securities, Rules 74, 75, and 76, which relate to crossing transactions on the Floor and ancillary Floor-based requirements, would be applicable to trading UTP Securities. At this time, the Exchange would not make available for UTP Securities the cross function described in Supplementary Material .10 to Rule 76. Accordingly, the Exchange proposes to add a preamble to Rule 76 that would provide that Supplementary Material .10 to that Rule would not be applicable to trading UTP Securities on the Pillar trading platform.

The Exchange also proposes to amend the existing preambles to Rules 128A, 128B, 130, 131, 132, and 135[14] to reflect that crossing transactions pursuant to Rule 76 would be subject to existing Exchange rules relating to publication of Floor-based transactions, corrections to the Tape, and clearing. The amended preambles to these rules would provide that "except for manual transactions pursuant to Rule 76," such rules would not be applicable to trading UTP Securities on the Pillar trading platform.

Finally, the Exchange proposes to amend the preamble to Rule 134, which currently provides that such rule is not applicable to trading UTP Securities on the Pillar trading platform. Rule 134(a) – (c) relates to clearing of Floor-based transactions, and would be applicable to any manual transactions pursuant to Rule 76 in UTP Securities. Rule 134(d) – (j) separately requires a Floor broker to maintain an error account. Because Floor brokers would continue to be subject to Section 11(a)(1) of the Act for all trading in UTP Securities, the Exchange proposes that current Rules 134(d) – (j) would be applicable to all Floor broker trading of UTP Securities on the Exchange. To effect these two changes, the Exchange proposes that the preamble to Rule 134 would be amended to provide that: "Except for manual transactions pursuant to Rule 76, paragraphs (a) – (c) of this Rule are not applicable to trading UTP Securities on the Pillar trading platform."

Proposed Rule Changes

As noted above, with the exception of crossing transactions pursuant to Rule 76

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14 See id.

and related rules, the Exchange proposes rules that would be applicable to trading UTP Securities on Pillar that are based on the rules of NYSE Arca and NYSE American. As a global matter, the Exchange proposes non-substantive differences as compared to the NYSE Arca rules to use the terms "Exchange" instead of the terms "NYSE Arca Marketplace" or "NYSE Arca" and to use the terms "mean" or "have meaning" instead of the terms "shall mean" or "shall have the meaning." In addition, the Exchange will use the term "member organization," which is defined in Rule 2, instead of the terms "ETP Holder" or "User."[15]

As previously established in the Framework Filing, Section 1 of Rule 7P sets forth the General Provisions relating to trading on the Pillar trading platform and Section 3 of Rule 7P sets forth Exchange Trading on the Pillar trading platform. In this filing, the Exchange proposes new Rules 7.10, 7.11, and 7.16 and to amend Rule 7.18 for Section 1 of Rule 7P and new Rules 7.31, 7.34, 7.36, 7.37, and 7.38 for Section 3 of Rule 7P. In addition, the Exchange proposes new Section 5 of Rule 7P to establish rules for the Plan to Implement a Tick Size Pilot Program, and proposes new Rule 7.46 in that section.

Below, the Exchange first describes proposed Rules 7.36 and 7.37, as these rules would establish the Exchange's Pillar rules governing order ranking and display and order execution and routing. Next, the Exchange describes proposed Rule 7.31, which would establish the orders and modifiers available for trading UTP Securities on Pillar. Finally, the Exchange describes proposed Rules 7.10, 7.11, 7.16, 7.34, 7.38, and 7.46 and amendments to Rule 7.18.

Proposed Rule 7.36

Proposed Rule 7.36 (Order Ranking and Display) would establish how orders in UTP Securities would be ranked and displayed on the Pillar trading platform. As described above, the Exchange proposes to extend its current allocation model to trading UTP Securities on Pillar, including the concept of "setter interest," which the Exchange would define in proposed Rule 7.36 as "Setter Priority." Except for the addition of Setter Priority, the Exchange proposes to use Pillar functionality for determining how orders would be ranked and displayed. Accordingly, proposed Rule 7.36 is based in part on NYSE Arca Rule 7.36-E and NYSE American Rule 7.36E, with substantive differences as described below.

Proposed Rule 7.36(a) – (g)

Proposed Rules 7.36(a) – (g) would establish rules defining terms that would be used in Rule 7P – Equities Trading and that describe the display and ranking of

15 Because these non-substantive differences would be applied throughout the proposed rules, the Exchange will not note these differences separately for each proposed rule.

orders on the Exchange, including ranking based on price, priority category, and time. The proposed rule text is based on NYSE Arca Rule 7.36-E(a) – (g) and NYSE American Rule 7.36E(a) – (g) with the following substantive differences:

- Proposed Rule 7.36(a)(5) would add a definition of the term "Participant," which is based on how the term "individual participant" is defined in current Rule 72(c)(ii), with non-substantive differences. The Exchange proposes that the term "Participant" would mean for purposes of parity allocation, a Floor broker trading license (each, a "Floor Broker Participant") or orders collectively represented in the Exchange Book that have not been entered by a Floor Broker Participant ("Book Participant").[16] The Exchange proposes to use the term "Floor broker trading license" rather than "each single Floor broker" because pursuant to Rule 300 a trading license is required to effect transactions on the Floor of the Exchange or any facility thereof and a member organization designates natural persons to effect transactions on the Floor on its behalf. Accordingly, reference to a "Floor broker trading license" makes clear that the Floor broker participant is at the trading license level, rather than at the member organization level. The Exchange also proposes to use the term "Exchange Book," which is a defined term, rather than referring more generally to "Exchange systems."

  As described in greater detail below, the Exchange proposes that its existing parity allocation model would be available for all securities that trade on the Exchange. Because there would not be a DMM assigned to any UTP Securities, orders represented by individual Floor Brokers and the Book Participant would be eligible for a parity allocation for UTP Securities.

  Because trading in UTP Securities is intended to be an extension of the Exchange's current Floor-based trading model, the Exchange proposes that Floor Broker Participant allocations for UTP Securities would be available only to Floor brokers that also engage in a Floor broker business in Exchange-listed securities. As further proposed, an order entered by a Floor broker would be eligible to be included in the Floor Broker Participant only if: (A) such order is entered by a Floor broker while on the Trading Floor, which is an existing requirement;[17] and (B) such order

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16 As defined in Rule 1.1(a), the term "Exchange Book" refers to the Exchange's electronic file of orders, which contains all orders entered on the Exchange. Accordingly, all orders entered by Floor brokers in UTP Securities are included in the Exchange Book. The Exchange proposes to use the term "Book Participant" as continuity from its current rules, which refer to the Book Participant. See Rule 72(c)(ii).

17 Rule 70(a)(i) requires a Floor broker to be in the "Crowd" in order to enter e-Quotes, which are eligible for a parity allocation. Rule 70.30 defines the term

is not entered for the account of the member organization, the account of an associated person, or an account with respect to which the member, member organization, or an associated person exercises investment discretion, unless such order is entered pursuant to Rule 134(d) – (j), i.e., the order is entered via the Floor broker's error account.

- Proposed Rule 7.36(a)(6) would add the definition of "Aggressing Order" to mean a buy (sell) order that is or becomes marketable against sell (buy) interest on the Exchange Book and that a resting order may become an Aggressing Order if its working price changes, if the PBBO or NBBO is updated, because of changes to other orders on the Exchange Book, or when processing inbound messages.[18] This proposed term would be used in proposed Rule 7.37, described below.

- Because all displayed Limit Orders would be displayed on an anonymous basis, the Exchange does not propose to include text based on the first clause of NYSE Arca Rule 7.36-E(b)(2) in proposed Rule 7.36(b)(2).

- Proposed Rule 7.36(c) regarding ranking would not include reference to price-time priority, as the Exchange's allocation model would not always be a price-time priority allocation, as described below. As further described below, the Exchange would rank orders consistent with proposed Rule 7.36(c).

- Proposed Rule 7.36(e) would establish three priority categories: Priority 1 – Market Orders, Priority 2 – Display Orders, and Priority 3 – Non-Display Orders. The Exchange would not offer any additional priority categories for trading of UTP Securities.

In addition to these substantive differences, the Exchange proposes a non-substantive clarifying difference for proposed Rule 7.36(f)(1)(B) to add "[o]ther than as provided for in Rule 7.38(b)(2)," to make clear that the way in which a

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"Crowd" as the rooms on the Exchange Floor that contain active posts/panels where Floor brokers are able to conduct business and a Floor broker is considered to be in the Crowd if he or she is physically present in one of these room. Rule 6A defines the term "Trading Floor" to mean the restricted-access physical areas designated by the Exchange for the trading of securities, commonly known as the "Main Room" and the "Buttonwood Room." The terms "Crowd" and "Trading Floor" therefore refer to the same physical location.

18 NYSE Arca and NYSE American have recently amended their rules to add this definition of "Aggressing Order." See Securities Exchange Act Release Nos. 82447 (January 5, 2018), 83 FR 1442 (January 11, 2018) (SR-NYSEAmer-2017-40) and 82504 (January 16, 2018), 83 FR 3038 (January 22, 2018) (SR-NYSEArca-2018-02).

working time is assigned to an order that is partially routed to an Away Market and returns to the Exchange is addressed in both proposed Rule 7.36(f)(1)(B) and proposed Rule 7.38(b)(2). The Exchange also proposes non-substantive differences to proposed Rule 7.36(f)(2) and (3) to streamline the rule text.

Proposed Rule 7.36(h) – Setter Priority

Proposed Rule 7.36(h) would establish how Setter Priority would be assigned to an order and is based in part on current Rules 72(a) and (b). Rule 72(a)(ii) provides that when a bid or offer, including pegging interest is established as the only displayable bid or offer made at a particular price and such bid or offer is the only displayable interest when such price is or becomes the Exchange BBO (the "setting interest"), such setting interest is entitled to priority for allocation of executions at that price as described in Rule 72. The rule further provides that:

- Odd-lot orders, including aggregated odd-lot orders that are displayable, are not eligible to be setting interest. (Rule 72(a)(ii)(A))

- If, at the time displayable interest of a round lot or greater becomes the Exchange BBO, there is other displayable interest of a round lot or greater, including aggregated odd-lot orders that are equal to or greater than a round lot, at the price that becomes the Exchange BBO, no interest is considered to be a setting interest, and, therefore, there is no priority established. (Rule 72(a)(ii)(B))

- If, at the time displayable interest of a round lot or greater becomes the Exchange BBO, there is other displayable interest the sum of which is less than a round lot, at the price that becomes the Exchange BBO, the displayable interest of a round lot or greater will be considered the only displayable bid or offer at that price point and is therefore established as the setting interest entitled to priority for allocation of executions at that price as described in this rule. (Rule 72(a)(ii)(C))

- If executions decrement the setting interest to an odd-lot size, a round lot or partial round lot order that joins such remaining odd-lot size order is not eligible to be the setting interest. (Rule 72(a)(ii)(D))

- If, as a result of cancellation, interest is or becomes the single displayable interest of a round lot or greater at the Exchange BBO, it becomes the setting interest. (Rule 72(a)(ii)(E))

- Only the portion of setting interest that is or has been published in the Exchange BBO is entitled to priority allocation of an execution. That portion of setting interest that is designated as reserve interest and therefore not displayed at the Exchange BBO (or not displayable if it becomes the Exchange BBO) is not eligible for priority allocation of an execution irrespective of the price of such reserve interest or the time it is accepted into Exchange systems. However, if, following an execution of part or all of setting interest, such setting interest is replenished from any reserve interest, the replenished volume of such setting interest shall be entitled to priority if the setting interest is still the only interest at the Exchange BBO. (Rule 72(a)(ii)(F))

- If interest becomes the Exchange BBO, it will be considered the setting interest even if pegging interest, Limit Orders designated ALO, or sell short orders during a Short Sale Period under Rule 440B(e) are re-priced and displayed at the same price as such interest , and it will retain its priority even if subsequently joined at that price by re-priced interest. (Rule 72(a)(ii)(G))

Rule 72(b)(i) provides that once priority is established by setting interest, such setting interest retains that priority for any execution at that price when that price is at the Exchange BBO and if executions decrement the setting interest to an odd-lot size, such remaining portion of the setting interest retains its priority for any execution at that price when that price is the Exchange BBO. Rule 72(b)(ii) further provides that for any execution of setting interest that occurs when the price of the setting interest is not the Exchange BBO, the setting interest does not have priority and is executed on parity. Finally, Rule 73(b)(ii) provides that priority of setting interest will not be retained after the close of trading on the Exchange or following the resumption of trading in a security after a trading halt in such security has been invoked pursuant to Rule 123D or following the resumption of trading after a trading halt invoked pursuant to the provisions of Rule 80B. In addition, priority of the setting interest is not retained on any portion of the priority interest that is routed to an away market and is returned unexecuted unless such priority interest is greater than a round lot and the only other interest at the price point is odd-lot orders, the sum of which is less than a round lot.

Proposed Rule 7.36(h) would use Pillar terminology to establish "Setter Priority," which would function similarly to setting interest under Rule 72. The Exchange proposes the following substantive differences to how Setter Priority would be assigned and retained on Pillar:

- To be eligible for Setter Priority, an order would have to establish not only the BBO, but also either join an Away Market NBBO or establish the NBBO. The Exchange believes that requiring an order to either join or establish an NBBO before it is eligible for Setter Priority would encourage the display of aggressive liquidity on the Exchange.

- A resting order would not be eligible to be assigned Setter Priority simply because it is the only interest at that price when it becomes the BBO (either because of a cancellation of other interest at that price or because a resting order that is priced worse than the BBO becomes the BBO). The Exchange believes that the benefit of Setter Priority should be for orders that are aggressively seeking to improve the BBO, rather than for passive orders that become the BBO.

- The replenished portion of a Reserve Order would not be eligible for Setter Priority. The Exchange believes that Setter Priority should be assigned to interest willing to be displayed, and because the reserve interest would not be displayed on arrival, it would not be eligible for Setter Priority.

- Orders that are routed and returned unexecuted would be eligible for Setter Priority consistent with the proposed rules regarding the working time assigned to the returned quantity of an order. As described in greater detail below, if such orders meet the requirements to be eligible for Setter Priority, e.g., establish the BBO and either join or establish the NBBO, they would be evaluated for Setter Priority.

Proposed Rule 7.36(h) would provide that Setter Priority would be assigned to an order ranked Priority 2 – Display Orders with a display quantity of at least a round lot if such order (i) establishes a new BBO and (ii) either establishes a new NBBO or joins an Away Market NBBO. The rule would further provide that only one order is eligible for Setter Priority at each price. This proposed rule text is based in part on Rule 72(a)(ii), 72(a)(ii)(A), 72(a)(ii)(B), 72(a)(ii)(C), subject to the substantive differences described above.[19]

Proposed Rule 7.36(h)(1) would set forth when an order would be evaluated for Setter Priority. As noted above, the Exchange proposes a substantive difference from current Rule 72(a)(ii) in that a resting order would not be eligible to be assigned Setter Priority simply because it is the only interest at that price when it becomes the BBO.

- Proposed Rule 7.36(h)(1)(A) would provide that an order would be evaluated for Setter Priority on arrival, which would include when any portion of an order that has routed returns unexecuted and is added to the Exchange Book. Pursuant to proposed Rule 7.37(a)(1), described below, an order that is routed on arrival to an Away Market would not be assigned a working time. Proposed Rule 7.36(f) provides that an order would not be assigned a working time until it is placed on the Exchange Book. As such, an order that has returned after routing would be processed similarly to a newly arriving order. Therefore, the Exchange

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19 Because of the proposed substantive differences, the Exchange is not proposing rules based on current Rules 72(a)(ii)(D) and (E). In addition, when an order is considered displayed on Pillar would be addressed in proposed Rule 7.36(b)(1). Accordingly, the Exchange is not proposing rule text based on Rule 72(a)(i).

believes that an order should be evaluated for Setter Priority when it returns from an Away Market unexecuted in the same way as evaluating an order for Setter Priority on arrival.

When evaluating Setter Priority for an order that has returned from an Away Market unexecuted, the Exchange would assess whether such order meets the requirements of proposed Rule 7.36(h), which is based in part on the second sentence of Rule 72(b)(iii). The Exchange proposes that for Pillar, an order that was routed to an Away Market and returned unexecuted would be evaluated for Setter Priority based on how a working time would be assigned to the returned quantity of the routed order, as described in proposed Rules 7.16(f)(5)(H), 7.36(f)(1)(A) and (B), and 7.38(b)(2).

- Proposed Rule 7.16(f)(5)(H) provides that if a Short Sale Price Test, as defined in that rule, is triggered after an order has routed, any returned quantity of the order and the order it joins on the Exchange Book would be adjusted to a Permitted Price.[20] In such case, the returned quantity and the resting quantity that would be re-priced to a Permitted Price would be a single order and the Exchange would evaluate such order for Setter Priority. If such order would set a new BO and either join or establish a new NBO, it would be assigned Setter Priority. For example, if the Exchange receives a sell short order of 200 shares ranked Priority 2 – Display Orders, routes 100 shares ("A") of such order and adds 100 shares ("B") of such order to the Exchange Book, "B" would be displayed at the price of the sell short order. If an Away Market NBB locks the price of "B" and then a Short Sale Price Test is triggered, "B" would remain displayed at the price of the NBB.[21] If subsequently, "A" returns unexecuted, pursuant to proposed Rule 7.16(f)(5)(H), "A" and "B" would be considered a single order and would be re-priced to a Permitted Price, at which point the order would be evaluated for Setter Priority.

- Proposed Rule 7.36(f)(1)(A) provides that an order that is fully routed to an Away Market would not be assigned a working time unless and until any unexecuted portion of the order returns to the Exchange Book. As proposed, if the Exchange routes an entire

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20 Pursuant to proposed Rule 7.16(f)(5)(A), described below, during a Short Sale Period, as defined in that rule, short sale orders with a working price and/or a display price equal to or lower than the NBB will have the working price and/or display price adjusted one minimum price increment above the current NBB, which is the "Permitted Price."

21 See proposed Rule 7.16(f)(6).

order and a portion returns unexecuted, the Exchange would evaluate the returned quantity for Setter Priority as if it were a newly arriving order. For example, if less than a round lot returns unexecuted, the returned quantity would not be eligible for Setter Priority. If at least a round lot returns unexecuted, establishes a new BBO, and either joins or establishes the NBBO, it would be eligible for Setter Priority.

- Proposed Rule 7.36(f)(1)(B) provides that (except as provided for in proposed Rule 7.38(b)(2)), if an order is partially routed to an Away Market on arrival, the portion that is not routed would be assigned a working time and any portion of the order returning unexecuted would be assigned the same working time as any remaining portion of the original order resting on the Exchange Book and would be considered the same order as the resting order. In such case, if the resting portion of the order has Setter Priority, the returned portion would also have Setter Priority.

  For example, if the Exchange receives a 200 share order ranked Priority 2 – Display Orders, routes 100 shares ("C") of such order and adds 100 shares ("D") of such order to the Exchange Book, which establishes the BBO and joined the NBBO, "D" would be assigned Setter Priority. If "D" is partially executed and decremented to 50 shares and another order "E" for 100 shares joins "D" at its price, pursuant to proposed Rules 7.36(h)(2)(A) and (B), described below, "D" would retain Setter Priority. If "C" returns unexecuted, it would join the working time of "D" pursuant to proposed Rule 7.36(f)(1)(B), "C" and "D" would be considered a single order, and "C" would therefore also receive Setter Priority.

- Proposed Rule 7.38(b)(2) provides that for an order that is partially routed to an Away Market on arrival, if any returned quantity of such order joins resting odd-lot quantity of the original order and the returned and resting quantity, either alone or together with other odd-lot orders, would be displayed as a new BBO, both the returned and resting quantity would be assigned a new working time. In such case, the returned quantity and the resting odd-lot quantity together would be a single order and would be evaluated for Setter Priority.

  For example, if the Exchange receives an order for 100 shares, routes 50 shares ("E") of such order and the remaining 50 shares ("F") of such order are added to the Exchange Book, pursuant to proposed Rule 7.36(f)(1)(B), "F" would be assigned a working time when it is added to the Exchange Book. If "E" returns unexecuted, and "E" and "F" together would establish a new BBO at that price, pursuant to proposed Rule 7.38(b)(2), "F" would be assigned a new working time to join the working time of "E," and "E" and "F" would be considered a single order. If the returned quantity together with the resting quantity establishes the BBO pursuant to proposed Rule 7.38(b)(2), the order would be eligible to be evaluated for Setter Priority.

- Proposed Rule 7.36(h)(1)(B) would provide that an order would be evaluated for Setter Priority when it becomes eligible to trade for the first time upon transitioning to a new trading session. When an order becomes eligible to trade upon a trading session transition, it is treated as if it were a newly arriving order. Accordingly, the Exchange believes it would be consistent with its proposal to evaluate arriving orders for Setter Priority to also evaluate orders that become eligible to trade upon a trading session transition for Setter Priority. For example, pursuant to proposed Rule 7.34(c)(1), described below, the Exchange would accept Primary Pegged Orders during the Early Trading Session, however, such orders would not be eligible to trade until the Core Trading Session begins. In such case, a Primary Pegged Order would be evaluated for Setter Priority when it becomes eligible to trade in the Core Trading Session.

Proposed Rule 7.36(h)(2) would establish when an order retains its Setter Priority, as follows:

- if it is decremented to any size because it has either traded or been partially cancelled (proposed Rule 7.36(h)(2)(A)). This proposed rule is based on Rule 72(b)(i), with non-substantive differences to use Pillar terminology.

- if it is joined at that price by a resting order that is re-priced and assigned a display price equal to the display price of the order with Setter Priority (proposed Rule 7.36(h)(2)(B)). This proposed rule is based on Rule 72(a)(ii)(G), with non-substantive differences to use Pillar terminology.

- if the BBO or NBBO changes (proposed Rule 7.36(h)(2)(C)). This proposed rule, together with proposed Rule 7.37(b)(1)(B), described below, is based on Rule 72(b)(ii), with non-substantive differences to use Pillar terminology. Specifically, once an order has been assigned Setter Priority, it has that status so long as it is on the Exchange Book, subject to proposed Rule 7.36(h)(3), described below, regardless of the BBO or NBBO. However, as described in proposed Rule 7.37(b)(1)(B), it would only be eligible for a Setter Priority allocation if it is executed when it is the BBO.

- if the order marking changes from (A) sell to sell short, (B) sell to sell short exempt, (C) sell short to sell, (D) sell short to sell short exempt, (E) sell short exempt to sell, and (F) sell short exempt to sell short (proposed Rule 7.36(h)(2)(D)). This proposed rule text is consistent with proposed Rule 7.36(f)(4) because if an order retains its working time, the Exchange believes it should also retain its Setter Priority status.

- when transitioning from one trading session to another (proposed Rule 7.36(h)(2)(E)). This text would be new because, with Pillar, the Exchange would be introducing an Early Trading Session. The Exchange believes that if an order entered during the Early Trading Session is assigned Setter Priority, it should retain that status in the Core Trading Session.

Proposed Rule 7.36(h)(3) would establish when an order would lose Setter Priority, as follows:

- if trading in the security is halted, suspended, or paused (proposed Rule 7.36(h)(3)(A)). This proposed rule is based on the first sentence of current Rule 72(b)(iii), with non-substantive differences to use Pillar terminology. In addition, because all orders expire at the end of the trading day, the Exchange believes that the current rule text providing that setting interest would not be retained after the close of trading on the Exchange would not be necessary for Pillar.

- if such order is assigned a new display price (proposed Rule 7.36(h)(3)(B)). The Exchange believes that if an order has Setter Priority at a price, and then is assigned a new display price, it should not retain the Setter Priority status that was associated with its original display price.

- if such order is less than a round lot and is assigned a new working time pursuant to proposed Rule 7.38(b)(2). As discussed above, pursuant to proposed Rule 7.38(b)(2) the resting odd-lot portion of an order would be assigned a new working time if the returned quantity of that order, together with the resting portion, would establish a new BBO. In such case, if the resting quantity had Setter Priority status, it would lose that status, and would be re-evaluated for Setter Priority at its new working time.

  For example, if the Exchange receives an order for 200 shares ranked Priority 2 – Display Orders, routes 100 shares ("G") of such order, and the remaining 100 shares ("H") of such order are added to the Exchange Book and assigned Setter Priority, "H" would retain Setter Priority even if it is partially executed and the remaining portion of "H" is less than a round lot. If "G" returns unexecuted and "G" and "H" together would establish a new BBO at that price, pursuant to proposed Rule 7.38(b)(2), "H" would be assigned a new working time to join the working time of "G," and "G" and "H" would be considered a single order. When "H" is assigned a new working time, it would lose its Setter Priority status. Even though "G"

> and "H" would establish the BBO, if that order does not also join or establish an NBBO, it would not be assigned Setter Priority. In this scenario, "H" would have lost its Setter Priority. The Exchange believes it is appropriate to re-evaluate such order for Setter Priority because it is being assigned a new working time together with the returned quantity of the order.

Proposed Rule 7.36(h)(4) would establish when Setter Priority is not available, as follows:

- for any portion of an order that is ranked Priority 3 – Non-Display Orders (proposed Rule 7.36(h)(4)(A)). This proposed rule text is based on the second sentence of Rule 72(a)(ii)(F), with non-substantive differences to use Pillar terminology.

- when the reserve quantity replenishes the display quantity of a Reserve Order (proposed Rule 7.36(h)(4)(B)). This proposed rule text would be new and would be a substantive difference, described above, as compared to the third sentence of Rule 72(a)(ii)(F).

Because proposed Rule 7.36 would address the display and working time of orders and Setter Priority, the Exchange proposes that Rules 72(a), (b), and (c)(xii) would not be applicable to trading UTP Securities on the Pillar trading platform.

Proposed Rule 7.37

Proposed Rule 7.37 (Order Execution and Routing) would establish rules governing order execution and routing on the Pillar trading platform. As described above, the Exchange proposes to retain its parity allocation model, which the Exchange would set forth in proposed Rule 7.37(b). Except for the addition of parity allocation, the Exchange proposes to use Pillar functionality for determining how orders would be executed and routed. Accordingly, the proposed rule is based in part on NYSE Arca Rule 7.37-E and NYSE American Rule 7.37E, with substantive differences as described below.

Proposed Rules 7.37(a), (c) – (g)

Proposed Rules 7.37(a) and paragraphs (c) – (d) would establish rules regarding order execution, routing, use of data feeds, locking or crossing quotations in NMS Stocks, and exceptions to the Order Protection Rule. The proposed rule text is based on NYSE Arca Rule 7.37-E(a) – (f) and NYSE American Rule 7.37E(a) –

(f) with the following substantive differences:[22]

- Proposed Rule 7.37(a) would use the proposed new term "Aggressing Order" rather than the term "incoming marketable order" to refer to orders that would be matched for execution. In addition, because the Exchange would not use a price-time priority allocation for all orders, the Exchange proposes to specify that orders would be matched for execution as provided for in proposed Rule 7.37(b).

- As discussed below, the Exchange would not offer all order types that are available on NYSE Arca and NYSE American. Accordingly, proposed Rule 7.37(a)(4) would not include a reference to Inside Limit Orders.

- Similar to NYSE American, because the Exchange would not be taking in data feeds from broker-dealers or routing to Away Markets that are not displaying protected quotations, the Exchange proposes that proposed Rule 7.37 would not include rule text from paragraph (b)(3) of NYSE Arca Rule 7.37-E, which specifies that an ETP Holder can opt out of routing to Away Markets that are not displaying a protected quotation, i.e., broker dealers, or paragraph (d)(1) of NYSE Arca Rule 7.37-E, which specifies that NYSE Arca receives data feeds directly from broker dealers.

- As discussed in greater detail below, because the Exchange would not offer all orders available on NYSE Arca and NYSE American, including orders based on NYSE Arca Rule 7.31-E(f) that are orders with specific routing instructions, the Exchange proposes that proposed Rules 7.37(c)(5) and (c)(7)(B) would not include reference to orders that are designated to route to the primary listing market. Similarly, the Exchange would not include rule text based on NYSE Arca Rule 7.37-E(b)(7)(C) and NYSE American Rule 7.37E(b)(7)(C).

- The Exchange proposes a non-substantive difference to update the chart in proposed Rule 7.37(e) to reflect the amended names of market centers.

Proposed Rule 7.37(b) - Allocation

Proposed Rule 7.37(b) would set forth how an Aggressing Order would be allocated against contra-side orders and is based in part on current Rule 72(c). The Exchange proposes that its existing parity allocation model, modified as described below, would be applicable to UTP Securities. Like the Exchange's existing parity allocation model for NYSE-listed securities, the proposed parity

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[22] Because proposed Rule 7.37(b) would establish parity allocation, proposed Rule 7.37(c) – (g) would be based on NYSE Arca Rules 7.37-E(b) – (f) and NYSE American Rules 7.37E(b) – (f).

allocation model for UTP Securities would provide customers with choices. The Exchange's parity allocation model provides customers that do not have latency sensitive strategies or who value intermediation by a trusted agent with an alternative to the price-time priority model offered by other exchanges: such customers can use a Floor broker and be allocated trades based on parity, as described below. Those customers with latency sensitive strategies or who prefer un-intermediated access can choose to send orders electronically and would be allocated trades as part of the Book Participant. Irrespective of whether the customer chooses to use a Floor broker or enter their interest electronically via the Book Participant, a customer assigned Setter Priority by setting the BBO would receive the first 15% of an allocation.

While there would be no DMMs assigned to UTP Securities, as noted above, the Exchange would require that for an order to be eligible to be included in the Floor Broker Participant, such order must be entered by a Floor broker while on the Trading Floor and only if such Floor broker also engages in a Floor broker business in Exchange-listed securities. In addition, to be eligible to be included in the Floor Broker Participant, orders must be entered on an agency basis (unless trading out of the Floor broker's error account pursuant to Rule 134). As a result, in contrast to off-Floor agency broker-dealers, Floor brokers would not be permitted to trade for their own accounts while on the Trading Floor, including principal trading on behalf of customers. The result of any allocation to an individual Floor broker would therefore always accrue to the customer. In addition, when trading UTP Securities, Floor brokers would continue to be subject to current rules that are applicable only to Floor brokers, including Rules 95, 122, 123, and paragraphs (d) – (j) of Rule 134.

The Exchange proposes to use Pillar terminology to describe allocations and proposes the following substantive differences to how allocations are processed under Rule 72(c):

- Mid-point Liquidity Orders ("MPL") with a Minimum Trade Size ("MTS"), which are not currently available on the Exchange, would be allocated based on MTS size (smallest to largest) and time.

- The Exchange would maintain separate allocation wheels on each side of the market for displayed and non-displayed orders at each price. Currently, the Exchange maintains a single allocation wheel for each security.[23]

- An allocation to a Floor Broker Participant would be allocated to orders represented by that Floor Broker on parity.

[23] See Rule 72(c)(viii)(A).

- If resting orders on one side of the Exchange Book are repriced such that they become marketable against orders on the other side of the Exchange Book, they would trade as Aggressing Orders based on their ranking pursuant to proposed Rule 7.36(c).

- If resting orders on both side of the Exchange Book are repriced such that they become marketable against each other, e.g., a crossed PBBO becomes uncrossed and orders priced based on the PBBO are repriced, the Exchange would determine which order is the Aggressing Order based on its ranking pursuant to Rule 7.36(c).

- Because there would not be any DMMs assigned to UTP Securities, the proposed rule would not reference DMM allocations.

Proposed Rule 7.37(b)(1) would set forth that at each price, an Aggressing Order would be allocated against contra-side orders as follows:

- Proposed Rule 7.37(b)(1)(A) would provide that orders ranked Priority 1 – Market Orders would trade first based on time. This proposed rule is based on the first sentence of Rule 72(c)(i) with non-substantive differences to use Pillar terminology.

- Proposed Rule 7.37(b)(1)(B) would provide that next, an order with Setter Priority that has a display price and working price equal to the BBO would receive 15% of the remaining quantity of the Aggressing Order, rounded up to the next round lot size or the remaining displayed quantity of the order with Setter Priority, whichever is lower. The rule would further provide that an order with Setter Priority is eligible for allocation under proposed Rule 7.37(b)(1)(B) if the BBO is no longer the same as the NBBO. This proposed rule text is based on Rules 72(b)(ii) and 72(c)(iii) with non-substantive differences to use Pillar terminology. Although the Exchange is using different rule text, the quantity of an Aggressing Order that would be allocated to an order with Setter Priority would be the same under both current rules and the proposed Pillar rule.

- Proposed Rule 7.37(b)(1)(C) would provide that next, orders ranked Priority 2 – Displayed Orders would be allocated on parity by Participant and that any remaining quantity of an order with Setter Priority would be eligible to participate in this parity allocation, consistent with the allocation wheel position of the Participant that entered the order with Setter Priority. This proposed rule text is based on Rules 72(c)(i), (iv), (vi), and (ix) with non-substantive differences to use Pillar terminology.

- Proposed Rule 7.37(b)(1)(D) would provide that next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS, would be allocated on parity by Participant. This proposed rule text is based on Rules 72(c)(i), (iv), (vi), and (ix) with non-substantive differences to use Pillar terminology and a substantive difference not to include MPL Orders with an MTS in the parity allocation of resting non-displayed orders.

- Proposed Rule 7.37(b)(1)(E) would provide that MPL Orders with an MTS would be allocated based on MTS size (smallest to largest) and time. Because MPL Orders with an MTS would be a new offering on the Exchange, this proposed rule text is new. With an MTS instruction, an member organization is instructing the Exchange that it does not want an execution of its order if the MTS cannot be met. Accordingly, an MPL Order with an MTS is willing to be skipped if such instruction cannot be met. The Exchange proposes to separate MPL Orders with an MTS from the parity allocation of Priority 3 – Non-Display Orders because with a parity allocation, an MTS instruction would not be guaranteed. In order to honor the MTS instruction of the resting MPL Order, the Exchange proposes to allocate these orders after all other Priority 3 – Non-Display Orders have been allocated on parity. The Exchange believes that this proposed allocation priority would be consistent with the MTS instruction in that such orders are willing to be skipped in order to have the MTS met.

Proposed Rule 7.37(b)(2) would establish the allocation wheel for parity allocations. The proposed rule would be new for Pillar and would establish that at each price on each side of the market, the Exchange would maintain an "allocation wheel" of Participants with orders ranked Priority 2 – Display Orders and a separate allocation wheel of Participants with orders ranked Priority 3 – Non-Display Orders. The rule further describes how the position of an order on an allocation wheel would be determined, as follows:

- Proposed Rule 7.37(b)(2)(A) would provide that the Participant that enters the first order in a priority category at a price would establish the first position on the applicable allocation wheel for that price. The rule would further provide that if an allocation wheel no longer has any orders at a price, the next Participant to enter an order at that price would establish a new allocation wheel. This proposed rule is based in part on the first sentence of Rule 72(c)(viii)(A), with both non-substantive differences to use Pillar terminology and substantive differences because the Exchange would maintain separate allocation wheels at each price point, rather than a single allocation wheel for a security. Accordingly, an allocation wheel at a price point could be re-established throughout the trading day.

- Proposed Rule 7.37(b)(2)(B) would provide that additional Participants would be added to an allocation wheel based on time of entry of the first order entered by a Participant. This proposed rule is based in part on the second sentence of Rule 72(c)(viii)(A) with non-substantive differences to use Pillar terminology.

- Proposed Rule 7.37(b)(2)(C) would provide that once a Participant has established a position on an allocation wheel at a price, any additional orders from that Participant at the same price would join that position on an allocation wheel. This proposed rule uses Pillar terminology to describe current functionality.

- Proposed Rule 7.37(b)(2)(D) would provide that if an order receives a new working time or is cancelled and replaced at the same working price, a Participant that entered such order would be moved to the last position on an allocation wheel if, that Participant has no other orders at that price. This proposed rule is based in part on the last sentence of Rule 72(c)(viii)(A) with non-substantive differences to use Pillar terminology.

- Proposed Rule 7.37(b)(2)(E) would provide that a Participant would be removed from an allocation wheel if (i) all orders from that Participant at that price are executed or cancelled in full, (ii) the working price of an order changes and that Participant has no other orders at that price, or (iii) the priority category of the order changes and that Participant has no other orders at that price. This proposed rule would be new functionality associated with the substantive difference of having separate allocation wheels at each price point.

- Proposed Rule 7.37(b)(2)(F) would provide that if multiple orders are assigned new working prices at the same time, the Participants representing those orders would be added to an allocation wheel at the new working price in time sequence relative to one another. This proposed rule would be new functionality associated with the substantive difference of having separate allocation wheels at each price point.

Proposed Rule 7.37(b)(3) would set forth the parity pointer associated with the allocation wheel. As proposed, if there is more than one Participant on an allocation wheel, the Exchange would maintain a "pointer" that would identify which Participant would be next to be evaluated for a parity allocation and that the Participant with the pointer would be considered the first position. This proposed rule is based in part on the Parity Example 1 described in Rule 72(c)(viii)(A) and Rule 72(c)(viii)(B), with non-substantive differences to use Pillar terminology. The rule would further provide that the Setter Priority allocation described in proposed Rule 7.37(b)(1)(B) would not move the pointer, which is based on the second sentence of Rule 72(c)(iv) with non-substantive differences to use Pillar terminology.

Proposed Rule 7.37(b)(4) would set forth how an Aggressing Order would be allocated on parity. As proposed, an Aggressing Order would be allocated by round lots. The Participant with the pointer would be allocated a round lot and then the pointer would advance to the next Participant. The pointer would continue to advance on an allocation wheel until the Aggressing Order is fully allocated or all Participants in that priority category are exhausted. This proposed rule is based on Rule 72(c)(viii), sub-paragraphs (A) – (C) of that Rule, and Parity Examples 1 through 4, with non-substantive differences to use Pillar terminology. Rather than include examples in the proposed rule, the Exchange believes that the Pillar terminology streamlines the description of parity allocations in a manner that obviates the need for examples, as follows:

- Proposed Rule 7.37(b)(4)(A) would provide that not all Participants on an allocation wheel would be guaranteed to receive an allocation. The size of an allocation to a Participant would be based on which Participant had the pointer at the beginning of the allocation, the size of the Aggressing Order, the number of Participants in the allocation, and the size of the orders entered by Participants. The Exchange believes that this proposed rule makes clear that while the parity allocation seeks to evenly allocate an Aggressing Order, an even allocation may not be feasible and would be dependent on multiple variables.

  For example, if there are three Participants on an allocation wheel, "A," "B," and "C," each representing 200 shares and "A" has the pointer, an Aggressing Order of 450 shares would be allocated as follows: "A" would be allocated 100 shares, "B" would be allocated 100 shares, "C" would be allocated 100 shares, "A" would be allocated 100 shares, and "B" would be allocated 50 shares. In this example, an uneven allocation would result because the Aggressing Order cannot be evenly divided by round lots among the Participants and the allocation sizes would be dependent on which Participant has the pointer at the beginning of the allocation. Accordingly, "A" would be allocated a total of 200 shares, "B" would be allocated a total of 150 shares, and "C" would be allocated a total of 100 shares.

- Proposed Rule 7.37(b)(4)(B) would provide that if the last Participant to receive an allocation is allocated an odd lot, the pointer would stay with that Participant. The Exchange proposes that the pointer would advance only after a round-lot allocation. If the last allocation is an odd-lot, the pointer would stay with that Participant. For example, continuing with the example above where "B" received an allocation of 150 shares because the last allocation was 50 shares, the pointer would remain with "B" for the next allocation at that price. By contrast, if the last Participant receives a round-lot allocation of an Aggressing Order, the pointer would advance to the next Participant for the next allocation at that price.

- Proposed Rule 7.37(b)(4)(C) would provide that if the Aggressing Order is an odd lot, the Participant with the pointer would be allocated the full quantity of the order, unless that Participant does not have an order that could satisfy the Aggressing Order in full, in which case, the pointer would move to the next Participant on an allocation wheel. This proposed rule uses Pillar terminology to describe how an odd-lot sized Aggressing Order would be allocated.

- Proposed Rule 7.37(b)(4)(D) would provide that a Participant that has an order or orders equaling less than a round lot would be eligible for a parity allocation up to the size of the order(s) represented by that Participant. This proposed rule is based in part on Rule 72(c)(viii)(B) with non-substantive differences to use Pillar terminology.

Proposed Rule 7.37(b)(5) would provide that an allocation to the Book Participant would be allocated to orders that comprise the Book Participant by working time. This proposed rule is based on the second sentence of Rule 72(c)(ii) with non-substantive differences to use Pillar terminology.

Proposed Rule 7.37(b)(6) would provide that an allocation to a Floor Broker Participant, which would be defined as a "Floor Broker Allocation," would be allocated to orders with unique working times that comprise the Floor Broker Participant, which would be defined as "Floor Broker Orders," on parity. In other words, any allocation to an individual Floor Broker Participant at a price would be further allocated among multiple orders that may be represented by that Floor broker. The proposed reference to "unique working times" would refer to orders that have multiple working times. For example, pursuant to proposed Rule 7.31(d)(1)(B), each time a Reserve Order is replenished from reserve interest, a new working time would be assigned to the replenished quantity of the Reserve Order, while the reserve interest would retain the working time of original order entry. As a result, the display quantity of a Reserve Order may be represented by multiple orders with unique working times representing each replenishment. For purposes of the Floor Broker Allocation, each quantity with a unique working time would be considered a separate order.

As further proposed, the parity allocation within a Floor Broker Allocation would be processed as described in proposed Rule 7.37(b)(2) – (4) with the Floor Broker Allocation processed as the "Aggressing Order" and each Floor Broker Order processed as a "Participant." Because a Floor Broker Participant may represent multiple orders, the Exchange believes that allocating the Floor Broker Allocation on parity would be consistent with the Exchange's allocation model, which provides for a parity allocation to Floor brokers. For example, if an Aggressing Order is allocated 200 shares to Floor Broker Participant "X," which would be the Floor Broker Allocation, and "X" represents three Floor Broker Orders, "A," "B," and "C" for 100 shares each at a price and the parity pointer is on "B," pursuant to proposed Rule 7.37(b)(6), the Floor Broker Allocation would be allocated 100 shares to "B" and 100 shares to "C" and "A" would not receive an allocation.

Proposed Rule 7.37(b)(8) would provide that if resting orders on one side of the market are repriced and become marketable against contra-side orders on the Exchange Book, the Exchange would rank the re-priced orders as described in proposed Rule 7.36(c) and trade them as Aggressing Orders consistent with their ranking.[24] This proposed functionality would be new for Pillar.

Proposed Rule 7.37(b)(9) would provide that if resting orders on both sides of the market are repriced and become marketable against one another, the Exchange would rank the orders on each side of the market as described in Rule 7.36(c) and trade them as follows:

- The best-ranked order would establish the price at which the marketable orders will trade, provided that if the marketable orders include MPL orders, orders would trade at the midpoint of the PBBO (proposed Rule 7.37(b)(9)(A)).

- The next best-ranked order would trade as the Aggressing Order with contra-side orders at that price pursuant to proposed Rule 7.37(b)(1) (proposed Rule 7.37(b)(9)(B)).

- When an Aggressing Order is fully executed, the next-best ranked order would trade as the Aggressing Order with contra-side orders at that price pursuant to proposed Rule 7.37(b)(1) (proposed Rule 7.37(b)(9)(C)).

- Orders on both sides of the market would continue to trade as the Aggressing Order until all marketable orders are executed (proposed Rule 7.37(b)(9)(D)).

Because proposed Rule 7.37 would address order execution and routing, including parity allocations, locking and crossing, and the Order Protection Rule, the Exchange proposes that Rules 15A, 19, 72(c), 1000, 1001, 1002, and 1004 would not be applicable to trading UTP Securities on the Pillar trading platform.[25]

Proposed Rule 7.31

Proposed Rule 7.31 (Orders and Modifiers) would establish the orders and modifiers that would be available on the Exchange for trading UTP Securities on the Pillar trading platform. The Exchange proposes to offer a subset of the orders and modifiers that are available on NYSE Arca and NYSE American, with specified substantive differences, as described below.

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24 The Exchange proposes to designated proposed Rule 7.37(b)(7) as "Reserved."

25 Rule 72(d) would also not be applicable to trading UTP Securities on the Pillar trading platform, accordingly the Exchange would designate the entirety of Rule 72 as not applicable to trading UTP Securities on the Pillar trading platform.

- Proposed Rule 7.31(a) would establish the Exchange's proposed Primary Order Types. The Exchange would offer Market Orders, which would be described in proposed Rule 7.31(a)(1), and Limit Orders, which would be described in proposed Rule 7.31(a)(2). These proposed rules are based on NYSE Arca Rule 7.31-E(a)(1) and (2) with one substantive difference. Because the Exchange would not be conducting auctions for UTP Securities and because, as described below, with the exception of Primary Pegged Orders, Limit Orders entered before the Core Trading Session would be deemed designated for both the Early Trading Session and the Core Trading Session, the Exchange proposes not to include the following text in proposed Rule 7.31(a)(2)(B): "A Limit Order entered before the Core Trading Session that is designated for the Core Trading Session only will become subject to Limit Order Price Protection after the Core Open Auction." Instead, the Exchange proposes to provide that a Limit Order entered before the Core Trading Session that becomes eligible to trade in the Core Trading Session would become subject to the Limit Order Price Protection when the Core Trading Session begins. Accordingly, Primary Pegged Orders entered before the Core Trading Session begins would not be subject to Limit Order Price Protection until the Core Trading Session begins.

- Proposed Rule 7.31(b) would establish the proposed time-in-force modifiers available for UTP Securities on the Pillar trading platform. The Exchange would offer both Day and Immediate-or-Cancel ("IOC") time-in-force modifiers. The rule text is based on NYSE American Rule 7.31E(b) without any substantive differences.

- Proposed Rule 7.31(c) would establish the Exchange's Auction-Only Orders. Because the Exchange would not be conducting auctions in UTP Securities, the Exchange would route all Auction-Only Orders in UTP Securities to the primary listing market, as described in greater detail below in proposed Rule 7.34. To reflect this functionality, proposed Rule 7.31(c) would provide that an Auction-Only Order is a Limit or Market Order that is only to be routed pursuant to Rule 7.34. Proposed Rules 7.31(c)(1) – (4) would define Limit-on-Open Orders ("LOO Order"), Market-on-Open Order ("MOO Order"), Limit-on-Close Order ("LOC Order"), and Market-on-Close ("MOC Order"). The proposed rule text is based on NYSE Arca Rule 7.31-E(c)(1) – (4) and NYSE American Rule 7.31E(c)(1) – (4), with the substantive difference not to include rule text relating to how Auction-Only Orders would function during a Trading Halt Auction, as the Exchange would not be conducting any auctions in UTP Securities. Because the Exchange would not have defined terms for auctions in the Pillar rules, the Exchange proposes an additional non-substantive difference to use the term "an opening or re-opening auction" instead of "the Core Open Auction or a Trading Halt Auction" and the term "a closing auction" instead of "the Closing Auction."

- Proposed Rule 7.31(d) would describe orders with a conditional or undisplayed price and/or size. Proposed Rule 7.31(d) is based on NYSE Arca Rule 7.31-E(d) and NYSE American Rule 7.31E(d) without any differences.

- Proposed Rule 7.31(d)(1) would establish Reserve Orders, which would be a Limit Order with a quantity of the size displayed and with a reserve quantity ("reserve interest") that is not displayed. Proposed Rule 7.31(d)(1) and subparagraphs (A) – (C) to that rule are based on NYSE Arca Rule 7.31-E(d)(1) and its sub-paragraphs (A) – (C) without any substantive differences. As described below, the Exchange proposes to describe Limit Orders that do not route as a "Limit Non-Routable Order."

- Proposed Rule 7.31(d)(2) would establish Limit Non-Displayed Orders, which would be a Limit Order that is not displayed and does not route. This proposed rule is based on NYSE Arca Rule 7.31-E(d)(2), with one substantive difference: the Exchange would not be offering the ability for a Limit Non-Displayed Order to be designated with a Non-Display Remove Modifier and therefore would not be proposing rule text based on NYSE Arca Rule 7.31-E(d)(2)(B).

- Proposed Rule 7.31(d)(3) would establish MPL Orders, which would be a Limit Order that is not displayed and does not route, with a working price at the midpoint of the PBBO. Proposed Rule 7.31(d)(3) is based on NYSE Arca Rule 7.31-E(d)(3) and NYSE American Rule 7.31E(d)(3) with one substantive difference: because the Exchange would not be conducting auctions in UTP Securities, the Exchange does not propose to include rule text that MPL Orders do not participate in any auctions.

  Proposed Rules 7.31(d)(3)(A) – (F), which further describe MPL Orders, are based on NYSE Arca Rule 7.31-E(d)(3)(A) – (F) with two substantive differences. First, the Exchange would not offer the optional functionality for an incoming Limit Order to be designated with a "No Midpoint Execution" modifier. Second, the Exchange would not offer for MPL Orders to be designated with a Non-Display Remove Modifier. Because the Exchange would not offer the Non-Display Remove Modifier for MPL Orders, the Exchange is not proposing rule text based on NYSE Arca Rule 7.31-E(d)(3)(G).Proposed Rule 7.31(e) would establish orders with instructions not to route and is based on NYSE Arca Rule 7.31-E(e) and NYSE American Rule 7.31E(e) without any differences.[26]

[26] Proposed Rule 7.31 includes behavior relating to MPL Orders that were recently adopted on NYSE Arca and NYSE American. See supra note 18.

- Proposed Rule 7.31(e)(1) would establish the Limit Non-Routable Order, which is a Limit Order that does not route. Proposed Rule 7.31(e)(1) and its sub-paragraphs (A) – (B) is based on NYSE Arca Rule 7.31-E(e)(1) and its sub-paragraphs (A) – (B) and NYSE American Rule 7.31E(1) and its sub-paragraphs (A) - (B) without any substantive differences. Because the Exchange would not offer Non-Display Remove Modifiers for Limit Non-Routable Orders, the Exchange is not proposing rule text based on NYSE Arca Rule 7.31-E(e)(1)(C).

- Proposed Rule 7.31(e)(2) and sub-paragraphs (B) – (D) would establish the ALO Order, which is a Limit Non-Routable Order that, except as specified in the proposed rule, would not remove liquidity from the Exchange Book. The proposed rule is based on NYSE Arca Rule 7.31-E(e)(2) and its sub-paragraphs (B) – (D) with two substantive differences. First, because the Exchange would not have auctions in UTP Securities, the Exchange does not propose rule text based on NYSE Arca Rule 7.31-E(e)(2)(A), and would designate this sub-paragraph as "Reserved." Second, because the Exchange would not offer the Non-Display Remove Modifier for Limit Non-Routable Orders or Limit Non-Display Orders, the Exchange does not propose rule text based on NYSE Arca Rule 7.31-E(e)(2)(B)(iv)(b).

- Proposed Rule 7.31(e)(3) and sub-paragraphs (A) – (D) would establish Intermarket Sweep Orders ("ISO"), which would be a Limit Order that does not route and meets the requirements of Rule 600(b)(3) of Regulation NMS and could be designated IOC or Day. The proposed rule is based on NYSE Arca Rule 7.31-E(e)(3) and its sub-paragraphs (A) – (D) and its sub-paragraphs (A) – (D) with two substantive differences. First, because Exchange Floor brokers do not have the ability to enter orders directly on Away Markets, the Exchange does not currently offer the ability for Floor brokers to enter ISOs.[27] The Exchange similarly proposes that Floor brokers would not be able to enter ISOs for trading UTP Securities on the Pillar trading platform and therefore would specify that ISOs are not available to Floor brokers. Second, because Non-Display Remove Modifiers would not be available, the Exchange is not proposing rule text based on NYSE Arca Rule 7.31-E(e)(3)(D)(iii)(b).

- Because the Exchange would not offer Primary Only Orders or Cross Orders, the Exchange proposes that Rules 7.31(f) and (g) would be designated as "Reserved."

- Proposed Rule 7.31(h) would establish Pegged Orders, which would be a Limit Order that does not route with a working price that is pegged to a

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[27] See Rule 70(a)(i).

dynamic reference price. Proposed Rule 7.31(h) is based on NYSE Arca Rule 7.31-E(h) with one substantive difference. Consistent with the Exchange's current rules, Pegged Orders would be available only to Floor brokers.[28]

Proposed Rule 7.31(h)(2) and sub-paragraphs (A) and (B) would establish Primary Pegged Orders, which would be a Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), must include a minimum of one round lot of displayed, and with no offset allowed. This proposed rule text is based on NYSE Arca Rule 7.31-E(h)(2) and sub-paragraphs (A) and (B) with one substantive difference. Because the Exchange would not conduct auctions in UTP Securities, the Exchange does not propose to include rule text that a Primary Pegged Order would be eligible to participate in auctions at the limit price of the order.

Proposed Rule 7.31(h)(4) and sub-paragraphs (A) and (B) would establish a Non-Displayed Primary Pegged Order, which would be a Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), with no offset allowed, that is not displayed. This rule text is based on NYSE American Rule 7.31E(h)(2), which describes a Primary Pegged Order that is not displayed. Similar to the rules of NYSE American, the proposed Non-Displayed Primary Pegged Order would be rejected on arrival, or cancelled when resting, if there is no PBBO against which to peg. In addition, Non-Displayed Primary Pegged Orders would be ranked Priority 3 – Non-Display Orders and if the PBBO is locked or crossed, both an arriving and resting Non-Displayd Primary Pegged Order would wait for a PBBO that is not locked or crossed before the working price is adjusted and the order becomes eligible to trade.

Because the Exchange would not offer Market Pegged Order or Discretionary Pegged Orders, the Exchange proposes that paragraphs (h)(1) and (h)(3) of proposed Rule 7.31 would be designated as "Reserved."

- Proposed Rule 7.31(i)(2) would establish Self Trade Prevention Modifiers ("STP") on the Exchange. As proposed, any incoming order to buy (sell) designated with an STP modifier would be prevented from trading with a resting order to sell (buy) also designated with an STP modifier and from the same Client ID, as designated by the member organization, and the STP modifier on the incoming order would control the interaction between two orders marked with STP modifiers. Proposed Rule 7.31(i)(2)(A) would establish STP Cancel Newest ("STPN") and proposed Rule 7.31(i)(2)(B) would establish STP Cancel Oldest ("STPO"). Proposed

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28 See Rule 13(f)(1)(A)(i), which describes Pegging Interest as being available for e-Quotes and d-Quotes, which is functionality available only to Floor brokers.

Rule 7.31(i)(2) and subparagraphs (A) and (B) are based in part on NYSE Arca Rule 7.31-E(i)(2) and its sub-paragraphs (A) and (B) and NYSE American Rule 7.31E(i)(2) and its sub-paragraphs (A) and (B), with substantive differences to specify how STP modifiers would function consistent with the Exchange's proposed allocation model.

Specifically, because, as described above, resting orders are allocated either on parity or time based on the priority category of an order, the Exchange proposes to specify in proposed Rule 7.31(i)(2) that the Exchange would evaluate the interaction between two orders marked with STP modifiers from the same Client ID consistent with the allocation logic applicable to the priority category of the resting order. The proposed rule would further provide that if resting orders in a priority category do not have an STP modifier from the same Client ID, the incoming order designated with an STP modifier would trade with resting orders in that priority category before being evaluated for STP with resting orders in the next priority category.

For STPN, proposed Rule 7.31(i)(2)(A)(i) would provide that if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the incoming order marked with the STPN modifier would be cancelled back to the originating member organization and the resting order marked with one of the STP modifiers would remain on the Exchange Book. This proposed rule is based on NYSE Arca Rule 7.31-E(i)(2)(A) and NYSE American Rule 7.31E(i)(2)(A), with non-substantive differences to specify that this order processing would be applicable for orders that are allocated in price-time priority.

Proposed Rule 7.31(i)(2)(A)(ii) would be new and would address how STPN would function for resting orders in a priority category that allocates orders on parity. As proposed, if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity and would have been considered for an allocation, none of the resting orders eligible for a parity allocation in that priority category would receive an allocation and the incoming order marked with the STPN modifier would be cancelled back.[29] The Exchange believes that if a member organization designates an order with an STPN modifier, that member organization has instructed the Exchange to cancel the incoming order rather than trade with a resting order with an STP modifier from the same Client ID. Because in a parity allocation, resting orders are allocated

29 As described above, if there were resting Market Orders against which the incoming order was marketable, because Market Orders are in a different priority category, the incoming order would trade with the resting Market Orders before being assessed for STP with resting orders in a parity priority category.

based on their position on an allocation wheel, as described above, it would be consistent with the incoming order's instruction to cancel the incoming order if any of the resting orders eligible to participate in the parity allocation has an STP modifier from the same Client ID.

For STPO, proposed Rule 7.31(i)(2)(B)(i) would provide that if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the resting order marked with the STP modifier would be cancelled back to the originating member organization and the incoming order marked with the STPO modifier would remain on the Exchange Book. This proposed rule is based on NYSE Arca Rule 7.31-E(i)(2)(B) and NYSE American Rule 7.31E(i)(2)(B), with non-substantive differences to specify that this order processing would be applicable for orders that are allocated in price-time priority.

Proposed Rule 7.31(i)(2)(B)(ii) would be new and would address how STPO would function for resting orders in a priority category that allocates orders on parity. As proposed, if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity, all resting orders with the STP modifier with the same Client ID in that priority category that would have been considered for an allocation would not be eligible for a parity allocation and would be cancelled. The rule would further provide that an incoming order marked with the STPO modifier would be eligible to trade on parity with orders in that priority category that do not have a matching STP modifier and that resting orders in that priority category with an STP modifier from the same Client ID that would not have been eligible for a parity allocation would remain on the Exchange Book. The Exchange believes that this proposed processing of STPO would allow for the incoming order to continue to trade with resting orders that do not have an STP modifier from the same client ID, while at the same time processing the instruction that resting orders with an STP from the same Client ID would be cancelled if there were a potential for an execution between the two orders.

- Proposed Rule 7.31(i)(3) would describe the Minimum Trade Size ("MTS") Modifier, which is based in part on NYSE Arca Rule 7.31-E(i)(3).[30] The Exchange proposes a substantive difference in that the MTS Modifier would be available only for Limit IOC and MPL Orders. Subject to this difference, proposed Rule 7.31(i)(3)(A) – (E) and (G) is based on NYSE Arca Rule 7.31-E(i)(3)(A) – (F).

  The Exchange proposes an additional substantive difference to address

30 See supra note 18.

how a resting order with an MTS that becomes an Aggressing Order would trade under the parity allocation model. As described in proposed Rule 7.31(i)(3)(B), on arrival, an order to buy (sell) with an MTS Modifier would trade with sell (buy) orders in the Exchange Book that in the aggregate meet such order's MTS. In other words, the MTS of an Aggressing Order on arrival can be met by one or more resting orders. Because more than one resting order can trade with an arriving order with an MTS, such allocation can be made consistent with the Exchange's parity allocation model without any changes.[31]

By contrast, proposed Rule 7.31(i)(3)(E) would provide that a resting order to buy (sell) with an MTS Modifier that becomes an Aggressing Order would trade with individual sell (buy) orders that each meet the MTS. Because a resting order that becomes an Aggressing Order, which could only be an MPL Order, would need to be able to trade with individual contra-side orders that each meet the MTS, the Exchange proposes to address how such requirement would operate with the Exchange's proposed allocation model. Specifically, proposed Rule 7.31(i)(3)(F)(i) would provide that when such Aggressing Order is trading with sell (buy) orders in a priority category that allocates orders on price-time priority, if a sell (buy) order does not meet the MTS, the MPL Order with the MTS Modifier would not trade and would be ranked on the Exchange Book. Accordingly, for orders that trade in a price-time priority category, the MPL Order with an MTS Modifier would stop trading if a contra-side order does not meet the MTS. This proposal is consistent with how a resting order that becomes an Aggressing Order would trade on NYSE Arca, which has a price-time priority allocation model.

Proposed Rule 7.31(i)(3)(F)(ii) would set forth how a resting MPL Order to buy (sell) with an MTS that becomes an Aggressing Order would trade with sell (buy) orders in a priority category that allocates orders on parity. Because in a parity allocation model, more than one resting order may participate in an allocation, the Exchange proposes that a resting order to buy (sell) with an MTS that becomes an Aggressing Order would not trade with any contra-side orders if at least one sell (buy) order that would have been considered for allocation does not meet the MTS. As proposed, in such case, the resting order with the MTS Modifier would be ranked on

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31 For example, if the midpoint of the PBBO is 10.00 and at 10.00, the Exchange has a sell order "A" ranked Priority 3 – Non-Displayed for 100 shares from the Book Participant and a sell order "B" ranked Priority 3- Non-Displayed for 100 shares from the Floor Broker Participant, if the Exchange receives a buy MPL Order with a limit price of 10.00 and an MTS of 200 shares, the MTS could be met by the resting orders in the aggregate, and the arriving buy order would trade with both "A" and "B."

the Exchange Book.[32] The Exchange believes that if a member organization designates an MPL Order with an MTS Modifier, that member organization has instructed the Exchange not to trade that order with contra-side orders that are smaller in size than the MTS. Because in a parity allocation, resting orders are allocated based on their position on an allocation wheel, as described above, it would be consistent with the incoming order's instruction not to trade at all rather than to trade with even one order in the parity allocation that that does not meet the MTS.

- Proposed Commentary .01 and .02 to Rule 7.31 is based on Commentary .01 and .02 to NYSE Arca Rule 7.31-E without any substantive differences.

Because proposed Rule 7.31 would govern orders and modifiers, including orders entered by Floor brokers, the Exchange proposes that Rules 13 (Orders and Modifiers) and 70 (Execution of Floor broker interest) would not be applicable to trading UTP Securities on the Pillar trading platform. In addition, references to Trading Collars in Rule 1000(c) would not be applicable to trading UTP Securities on the Pillar Trading platform.[33]

Proposed Rule 7.10

Proposed Rule 7.10 (Clearly Erroneous Executions) would set forth the Exchange's rules governing clearly erroneous executions. The proposed rule is based on NYSE Arca Rule 7.10-E and NYSE American Rule 7.10E with substantive differences not to refer to a Late Trading Session or Cross Orders. The Exchange proposes rule text based on NYSE Arca rather than current Rule 128 (Clearly Erroneous Executions) because the NYSE Arca and NYSE American version of the rule uses the same terminology that the Exchange is proposing for the Pillar trading platform, e.g., references to Early and Core Trading Sessions. Accordingly, the Exchange proposes that Rule 128 (Clearly

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32 For example, the midpoint of the PBBO is 10.01 and at 10.00, the Exchange has a sell order "A" ranked Priority 3 – Non-Displayed for 100 shares from the Book Participant and a sell order "B" ranked Priority 3- Non-Displayed for 200 shares from the Floor Broker Participant and a buy MPL Order with a limit price of 10.00 and an MTS of 200 shares. If the midpoint changes to 10.00, the resting buy MPL Order would become an Aggressing Order. In this scenario, both "A" and "B" would be eligible for an allocation, but because "A" cannot individually meet the MTS of the buy MPL Order, the MPL Order would not trade with either "A" or "B" and the buy MPL Order would be ranked on the Exchange Book as provided for in proposed Rule 7.31(i)(3)(F)(ii).

33 As described in greater detail above in connection with proposed Rule 7.37, the Exchange proposes that the entirety of Rule 1000 would not be applicable to trading UTP Securities on the Pillar trading platform.

Erroneous Executions) would not be applicable to trading UTP Securities on the Pillar trading platform.[34] Because the Exchange would not be conducting auctions in UTP Securities, proposed Rule 7.10(a) would not include the last sentence of NYSE Arca Rule 7.10-E(a), which provides that "[e]xecutions as a result of a Trading Halt Auction are not eligible for a request to review as clearly erroneous under paragraph (b) of this Rule."

Proposed Rule 7.11

Proposed Rule 7.11 (Limit Up – Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility) would establish how the Exchange would comply with the Regulation NMS Plan to Address Extraordinary Market Volatility ("LULD Plan").[35] The proposed rule is based on NYSE American Rule 7.11E with the following substantive differences. First, as proposed, the Exchange would not offer the optional functionality for a member organization to instruct the Exchange to cancel a Limit Order that cannot be traded or routed at prices at or within the Price bands, rather than the default processing of re-pricing a Limit Order to the Price Bands, as described in proposed Rule 7.11(a)(5)(B)(i).[36] Accordingly, the Exchange would not include text relating to this instruction, as described in NYSE American Rules 7.11E(a)(5)(B)(i), 7.11E(a)(5)(C), or 7.11E(a)(5)(F). Second, because the Exchange would not be offering orders that include specific routing instructions, Q Orders, or Limit IOC Cross Orders, the Exchange would not include text that references these order types, as described in NYSE American Rule 7.11E(a)(5)(B)(iii), 7.11E(a)(5)(D), 7.11E(a)(5)(E), and 7.11E(a)(6). The Exchange proposes to designate proposed Rules 7.11(a)(5)(D) and 7.11(a)(5)(E) as "Reserved."

Finally, because proposed Rule 7.11 would govern trading in UTP Securities and the Exchange would not conduct auctions for such securities, the Exchange does not propose rule text from NYSE American Rule 7.11E(b) that describes how the Exchange would re-open trading in a security. The Exchange proposes that Rule 7.11(b)(1) would be based on rule text from NYSE American Rule 7.11E(b)(1).

Because the proposed rule covers the same subject matter as Rule 80C, the

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34 The Exchange proposes that because there is not a prior version of proposed Rule 7.10, if the Limit Up-Limit Down Plan is not approved, the prior version of sections (c), (e)(2), (f) and (g) of Rule 128 would be in effect.

35 See Securities Exchange Act Release No. 80455 (April 13, 2017), 81 FR 24908 (April 27, 2016) (File No. 4-631) (Order approving 12th Amendment to the LULD Plan).

36 The Exchange will offer this optional functionality when it implements Pillar phase II communication protocols.

Exchange proposes that Rule 80C would not be applicable to trading UTP Securities on the Pillar trading platform.

Proposed Rule 7.16

Proposed Rule 7.16 (Short Sales) would establish requirements relating to short sales. The proposed rule is based on NYSE Arca Rule 7.16-E and NYSE American Rule 7.16E with two substantive differences. First, because the proposed rule would not be applicable to any securities that are listed on the Exchange, the Exchange would not be evaluating whether the short sale price test restrictions of Rule 201 of Regulation SHO have been triggered. Accordingly, the Exchange does not propose rule text based on NYSE Arca Rule 7.16-E(f)(3) or NYSE American Rule 7.16E(f)(3) and would designate that sub-paragraph as "Reserved." For similar reasons, the Exchange proposes not to include rule text based on NYSE Arca Rules 7.16-E(f)(4)(A) and (B) or NYSE American Rule 7.16E(f)(4)(A) and (B).

Second, because the Exchange would not be offering Tracking Orders, Cross Orders, or the Proactive if Locked/Crossed Modifier, the Exchange does not propose rule text based on NYSE Arca Rule 7.16-E(f)(5)(D), (G), or (I) or NYSE American Rule 7.16E(f)(5)(D), (G), or (I). The Exchange proposes to designate proposed Rules 7.16(f)(5)(D) and (G) as "Reserved."

Because the proposed rule covers the same subject matter as Rule 440B (Short Sales), the Exchange proposes that Rule 440B would not be applicable to trading UTP Securities on the Pillar trading platform.

Proposed Rule 7.18

The Exchange proposes to amend Rule 7.18 (Halts) to establish how the Exchange would process orders during a halt in a UTP Security and when it would halt trading in a UTP Exchange Traded Product.[37] Proposed Rule 7.18(b) would provide that the Exchange would not conduct a Trading Halt Auction in a UTP Security and would process new and existing orders in a UTP Security

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[37] The term "UTP Exchange Traded Product" is defined in Rule 1.1(bbb) to mean an Exchange Traded Product that trades on the Exchange pursuant to unlisted trading privileges. The terms "Exchange Traded Product" and "UTP Exchange Traded Product" on the Exchange have the same meaning as the NYSE Arca terms "Derivatives Securities Product" and "UTP Derivative Securities Product," which are defined in NYSE Arca Rule 1.1(k). The Exchange proposes a non-substantive difference in proposed Rule 7.18 as compared to NYSE Arca Rule 7.18-E to use the Exchange-defined terms.

during a UTP Regulatory Halt[38] as described in proposed Rule 7.18(b)(1) – (6). The proposed rule text is based on NYSE Arca Rule 7.18-E(b) and its sub-paragraphs (1) – (6) and NYSE American Rule 7.18E(b) and its sub-paragraphs (1) – (6) with one substantive difference. Because the Exchange would not be offering "Primary Only" orders, proposed Rule 7.18(b)(5) would not reference such order types.

The Exchange proposes to amend Rule 7.18(d)(1)(A) to specify that if a UTP Exchange Traded Product begins trading on the Exchange in the Early Trading Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value ("IIV") or the value of the underlying index, as applicable, to such UTP Exchange Traded Product, by a major market data vendor, the Exchange may continue to trade the UTP Exchange Traded Product for the remainder of the Early Trading Session. This proposed rule text is based on NYSE Arca Rule 7.18-E(d)(1)(A) and NYSE American Rule 7.18E(d)(1)(A) without any substantive differences. The Exchange also proposes to amend Rule 7.18(d)(1)(B) to change the reference from "Exchange's Normal Trading Hours" to the term "Core Trading Session," which would be defined in proposed Rule 7.34, described below.

The Exchange also proposes to amend Rule 7.18(a) to change the cross reference from Rule 80C to Rule 7.11 as proposed Rule 7.11 would govern how the Exchange would comply with the LULD Plan for trading UTP Securities.

Proposed Rule 7.34

Proposed Rule 7.34 would establish trading sessions on the Exchange. The Exchange proposes that on the Pillar trading platform, it would have Early and Core Trading Sessions. Accordingly, proposed Rule 7.34 is based in part on NYSE Arca Rule 7.34-E and NYSE American Rule 7.34E, with the following substantive differences. First, similar to NYSE American, the Exchange proposes that the Early Trading Session would begin at 7:00 a.m. Eastern Time. Similar to NYSE Arca and NYSE American, the Exchange would begin accepting orders 30 minutes before the Early Trading Session begins, which means order entry acceptance would begin at 6:30 a.m. Eastern Time. These differences would be reflected in proposed Rule 7.34(a)(1).

Second, proposed Rule 7.34(b) would be new and is not based on NYSE Arca Rule 7.34-E(b) or NYSE American Rule 7.34E(b). Rather than require member organizations to include a designation for which trading session the order would be in effect, the Exchange proposes to specify in Rule 7.34(b) and (c) which trading sessions an order would be deemed designated. Proposed Rule 7.34(b)(1)

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38 The term "UTP Regulatory Halt" is defined in Rule 1.1(kk) to mean a trade suspension, halt, or pause called by the UTP Listing Market in a UTP Security that requires all market centers to halt trading in that security.

would provide that unless otherwise specified in Rule 7.34(c), an order entered before or during the Early or Core Trading Session would be deemed designated for the Early Trading Session and the Core Trading Session. Proposed Rule 7.34(b)(2) would provide that an order without a time-in-force designation would be deemed designated with a day time-in-force modifier.

Proposed Rule 7.34(c) would specify which orders would be permitted in each session. Proposed Rule 7.34(c)(1) would provide that unless otherwise specified in paragraphs (c)(1)(A) - (C), orders and modifiers defined in Rule 7.31 would be eligible to participate in the Early Trading Session. This proposed rule text is based on NYSE Arca Rule 7.34-E(c)(1) and NYSE American Rule 7.34E(c)(1) with a substantive difference not to refer to orders "designated" for the Early Trading Session. In addition, because the Exchange would not be offering a Retail Liquidity Program, the Exchange would not reference Rule 7.44.

- Proposed Rule 7.34(c)(1)(A) would provide that Pegged Orders would not be eligible to participate in the Early Trading Session. This rule text is based in part on NYSE Arca Rule 7.34-E(c)(1)(A) and NYSE American Rule 7.34E(c)(1)(A) in the Pegged Orders would not be eligible to participate in the Early Trading Session. The Exchange proposes a substantive difference from the NYSE Arca and NYSE American rules because proposed Rule 7.34(c)(1)(A) would not refer to Market Orders. Market Orders entered during the Early Trading Session would be addressed in proposed Rule 7.34(c)(1)(C), described below. The proposed rule would further provide that Non-Displayed Primary Pegged Orders entered before the Core Trading Session would be rejected and Primary Pegged Orders entered before the Core Trading Session would be accepted but would not be eligible to trade until the Core Trading Session begins. This rule text is based in part on both NYSE Arca Rule 7.34-E(c)(1)(A) and NYSE American Rule 7.34E(c)(1)(A), but uses terminology consistent with the Exchange's proposed order types.

- Proposed Rule 7.34(c)(1)(B) would provide that Limit Orders designated IOC would be rejected if entered before the Early Trading Session begins. This proposed rule is based on NYSE Arca Rule 7.34-E(c)(1)(B) and NYSE American Rule 7.34E(c)(1)(B) with two substantive differences. First, because the Exchange would not be conducting auctions, the Exchange proposes to specify that the rejection period would begin "before the Early Trading Session begins" rather than state "before the Early Open Auction concludes." Second, the Exchange would not refer to Cross Orders, which would not be offered on the Exchange.

- Proposed Rule 7.34(c)(1)(C) would provide that Market Orders and Auction-Only Orders in UTP Securities entered before the Core Trading Session begins would be routed to the primary listing market on arrival and any order routed directly to the primary listing market on arrival would be cancelled if that market is not accepting orders. This proposed rule is based on NYSE Arca Rule 7.34-E(c)(1)(D) and NYSE American Rule 7.34E(c)(1)(D) with a non-substantive difference to specify that such orders would be routed until the Core Trading Session begins.

Proposed Rule 7.34(c)(2) would provide that unless otherwise specified in Rule 7.34(c)(2)(A) – (B), all orders and modifiers defined in Rule 7.31 would be eligible to participate in the Core Trading Session. This proposed rule text is based on NYSE Arca Rule 7.34-E(c)(2) and NYSE American Rule 7.34E(c)(2) with a substantive difference not to refer to orders "designated" for the Core Trading Session. In addition, because the Exchange would not be offering a Retail Liquidity Program, the Exchange would not reference Rule 7.44.

- Proposed Rule 7.34(c)(2)(A) would provide that Market Orders in UTP Securities would be routed to the primary listing market until the first opening print of any size on the primary listing market or 10:00 a.m. Eastern Time, whichever is earlier. This proposed rule is based on NYSE Arca Rule 7.34-E(c)(2)(A) and NYSE American Rule 7.34E(c)(2)(A) with a non-substantive difference to use the term "UTP Securities" instead of referencing orders that "are not eligible for the Core Open Auction."

- Proposed Rule 7.34(c)(2)(B) would provide that Auction-Only Orders in UTP Securities would be accepted and routed directly to the primary listing market. This proposed rule is based on NYSE Arca Rule 7.34-E(c)(2)(B) and NYSE American Rule 7.34E(c)(2)(B) with a non-substantive difference to use the term "UTP Securities" instead of referencing orders that "are not eligible for an auction on the Exchange."

Proposed Rule 7.34(d) would establish requirements for member organizations to provide customer disclosure when accepting orders for execution in the Early Trading Session. The proposed rule is based on NYSE Arca Rule 7.34-E(d) and NYSE American Rule 7.34E(d) without any substantive differences.

Proposed Rule 7.34(e) would provide that trades on the Exchange executed and reported outside of the Core Trading Session would be designated as .T trades. This proposed rule is based on NYSE Arca Rule 7.34-E(e) and NYSE American Rule 7.34E(e) without any substantive differences.

Proposed Rule 7.38

Proposed Rule 7.38 (Odd and Mixed Lot) would establish requirements relating to odd lot and mixed lot trading on the Exchange. The proposed rule is based on NYSE Arca Rule 7.38-E and NYSE American Rule 7.38E with one substantive difference. Because orders ranked Priority 2 – Display Orders, including odd-lot sized orders, are on an allocation wheel at their display price, the Exchange proposes that if the display price of an odd-lot order to buy (sell) is above (below) its working price (i.e., the PBBO, which is the price at which the odd-lot order is eligible to trade, has crossed the display price of that odd-lot order), the odd-lot order would be ranked and allocated based on its display price. In such case, the order would execute at its working price, but if there is more than one odd-lot order at the different display price, they would be allocated on parity.

For example, if at 10.02, the Exchange has an order "A" to buy 50 shares ranked Priority 2 – Display Orders, and at 10.01, the Exchange has an order "B" to buy 10 shares ranked Priority 2 –Display Orders, an order "C" to buy 10 shares ranked Priority 2 – Display Orders, and an order "D" to buy 10 shares ranked Priority 2 – Display Orders, and the parity pointer is on order "C," if the Away Market PBO becomes 10.00, which crosses the display price of "A," "B," "C," and "D," those orders would trade at 10.00. If the Exchange were to receive a Market Order to sell 70 shares, it would trade at 10.00 and be allocated 50 shares to "A," 10 shares to "C," and 10 shares to "D." "B" would not receive an allocation based on its position on the allocation wheel.

The Exchange proposes that Rule 61 (Recognized Quotations) would not be applicable to trading UTP Securities on the Pillar trading platform.

Proposed Rule 7.46

Section 5 of Rule 7P would establish requirements relating to the Plan to Implement a Tick Size Pilot Program. Proposed Rule 7.46 (Tick Size Pilot Plan) would specify such requirements. The proposed rule is based on NYSE American Rule 7.46E with the following substantive differences for proposed Rule 7.46(f). First, because the Exchange would not offer Market Pegged Orders, the Exchange proposes that paragraph (f)(3) of the Rule would be designated as "Reserved." Second, the Exchange proposes to set forth the priority of resting orders both for ranking and for allocation. For Pilot Securities in Test Group Three, proposed Rule 7.46(f)(5)(A) would govern ranking instead of proposed Rule 7.36(e), described above, as follows:

- Priority 2 - Display Orders. Non-marketable Limit Orders with a displayed working price would have first priority.

- Protected Quotations of Away Markets. Protected quotations of Away Markets would have second priority.

- Priority 1 - Market Orders. Unexecuted Market Orders would have third priority.

- Priority 3 - Non-Display Orders. Non-marketable Limit Orders for which the working price is not displayed, including reserve interest of Reserve Orders, would have fourth priority.

For Pilot Securities in Test Group Three, proposed Rule 7.46(f)(5)(B) would set forth how an Aggressing Order would be allocated against contra-side orders, instead of proposed Rule 7.37(b)(1), described above, as follows:

- First, an order with Setter Priority that has a display price and working price equal to the BBO would receive 15% of the remaining quantity of the Aggressing Order, rounded up to the next round lot size or the remaining displayed quantity of the order with Setter Priority, whichever is lower. An order with Setter Priority would be eligible for Setter Priority allocation if the BBO is no longer the same as the NBBO.

- Next, orders ranked Priority 2 – Displayed Orders would be allocated on parity by Participant. The remaining quantity of the order with Setting Priority would be eligible to participate in this parity allocation, consistent with the allocation wheel position of the Participant that entered the order with Setter Priority.

- Next, subject to proposed Rule 7.46(f)(5)(F) (describing orders with instructions not to route), the Exchange would route the Aggressing Order to protected quotations of Away Markets.

- Next, orders ranked Priority 1 - Market Orders would trade based on time.

- Next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS, would be allocated on parity by Participant.

- Next, MPL Orders with an MTS would be allocated based on MTS size (smallest to largest) and time.

Third, the Exchange would not include rule text based on NYSE American Rule 7.46E(f)(G), relating to Limit IOC Cross Orders, which would not be offered on the Exchange. Finally, proposed Rules 7.46(f)(5)(F)(i)(a) and (b) are based on NYSE Arca Rules 7.46-E(f)(5)(F)(i)(a) and (b) and not the NYSE American version of the rule because NYSE American does not offer Day ISO orders.

The Exchange proposes that Rule 67 (Tick Size Pilot Plan) would not be applicable to trading UTP Securities on the Pillar trading platform.

Amendments to Rule 103B and 107B

As described above, the Exchange would not assign UTP Securities to DMMs. Accordingly, the Exchange proposes to amend Rule 103B(I) (Security Allocation and Reallocation) to specify that UTP Securities would not be allocated to a DMM unit.

In addition, because UTP Securities would be eligible to be assigned to

Supplemental Liquidity Providers, the Exchange proposes to amend Rule 107B (Supplemental Liquidity Providers) to replace the term "NYSE-listed securities" with the term "NYSE-traded securities," which would include UTP Securities.

Current Rules that would not be Applicable to trading UTP Securities on Pillar

As described in more detail above, in connection with the proposed rules to support trading of UTP Securities on the Pillar trading platform, the Exchange has identified current Exchange rules that would not be applicable because they would be superseded by a proposed rule. The Exchange has identified additional current rules that would not be applicable to trading on Pillar. These rules do not have a counterpart in the proposed Pillar rules, described above, but would be obsolete when trading UTP Securities on Pillar.

The main category of rules that would not be applicable to trading on the Pillar trading platform are those rules that are specific to auctions and Floor-based point-of-sale trading other than crossing transactions pursuant to Rule 76. For this reason, the Exchange proposes that the following Floor-specific rules would not be applicable to trading on the Pillar trading platform:

- Rule 15 (Pre-Opening Indication and Opening Order Imbalance Information).
- Rule 77 (Prohibited Dealings and Activities).
- Rule 79A (Miscellaneous Requirements on Stock Market Procedures).
- Rule 108 (Limitation on Members' Bids and Offers).
- Rule 111 (Reports of Executions).
- Rule 115A (Orders at Opening).
- Rule 116 ('Stop' Constitutes Guarantee).
- Rule 123A (Miscellaneous Requirements).
- Rule 123B (Exchange Automated Order Routing System).
- Rule 123C (The Closing Procedures).
- Rule 123D (Openings and Halts in Trading)
- Rule 127 (Block Crosses Outside the Prevailing NYSE Quotation).

In addition, as noted above, the Exchange would not offer a Retail Liquidity Program when it trades on the Pillar trading platform. Proposed rules that are based on NYSE Arca rules that include a cross reference to NYSE Arca Rule 7.44-E would not include that rule reference. The Exchange also proposes that Rule 107C would not be applicable to trading UTP Securities on the Pillar trading platform.

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As discussed above, because of the technology changes associated with the migration to the Pillar trading platform, the Exchange will announce by Trader Update when the Pillar rules for trading UTP Securities will become operative.

(b) <u>Statutory Basis</u>

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act"),[39] in general, and furthers the objectives of Section 6(b)(5),[40] in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that the proposed rules to support Pillar on the Exchange would remove impediments to and perfect the mechanism of a free and open market because they provide for rules to support the Exchange's introduction of trading UTP Securities on the Pillar trading platform.

Generally, the Exchange believes that the proposed rules would remove impediments to and perfect the mechanism of a free and open market and a national market system because they would support the Exchange's introduction of trading UTP Securities in a manner that would use Pillar terminology to describe how the Exchange's current Floor-based parity allocation model with Setter Priority would operate, with specified substantive differences from current rules, and introduce Pillar rules for the Exchange that are based on the rules of its affiliated markets, NYSE Arca and NYSE American.

With respect to how UTP Securities would be ranked, displayed, executed, and routed on Pillar, the Exchange believes that proposed Rules 7.36(a) – (g) and proposed Rules 7.37(a) and (c) – (g) would remove impediments to and perfect the mechanism of a free and open market and a national market system because these rules would use Pillar terminology that is based on the approved rules of

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[39] 15 U.S.C. 78f(b).

[40] 15 U.S.C. 78f(b)(5).

NYSE Arca and NYSE American. The Exchange believes that proposed Rule 7.36(h), which would establish Setter Priority, would remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed rule is based on current Rule 72(a), with substantive differences designed to encourage the display of aggressively-priced orders by requiring that an order not only establish the BBO, but also establish or join the NBBO to be eligible for Setter Priority.

The Exchange similarly believes that proposed Rule 7.37(b), which would use Pillar terminology to describe how an Aggressing Order would be allocated, would remove impediments to and perfect the mechanism of a free and open market and a national market system because it is based on current Rule 72(b) and (c). The Exchange believes that the proposed substantive difference to maintain separate allocation wheels for displayed and non-displayed orders at each price would promote just and equitable principles of trade because it would allow for Exchange member organizations to establish their position on an allocation wheel at each price point, rather than rely on their position on a single allocation wheel that would be applicable to trades at multiple price points.

The Exchange believes that extending its parity allocation model to UTP Securities, including extending parity allocation for orders entered by Floor brokers, is not designed to permit unfair discrimination between customers, issuers, brokers or dealers. First, although the Exchange would not have DMMs assigned to UTP Securities, the Exchange proposes to maintain Floor trading for UTP Securities. Similar to trading in Exchange-listed securities, Floor brokers, would be able to effect crossing transactions in UTP Securities on the Floor, but with Exchange employees rather than DMMs staffing where such trading would occur.

Second, to be eligible to be included in the Floor Broker Participant, and thus be eligible for a parity allocation, the Floor broker that entered the order must be engaged in a Floor broker business in Exchange-listed securities. The Exchange believes that this requirement provides a nexus between Exchange Floor trading in Exchange-listed securities and the extension of that model to trading in UTP Securities.

Third, because member organizations operating as Floor brokers would be trading on the floor of an exchange, they would be subject to restrictions on trading for their own account set forth in Section 11(a)(1) of the Act and rules thereunder. Moreover, the Exchange proposes to specify in proposed Rule 7.36 that for an order to be eligible to be included in the Floor Broker Participant, it cannot be for the account of the Floor broker or any associated persons (unless entered via an error account pursuant to Rule 134).

Because Floor brokers trading in UTP Securities would not be permitted to trade for their own accounts, they would not be permitted to engage in the type of customer-based principal trading activities of a member organization that enters orders from off the Floor of the Exchange. Therefore, an allocation to an individual Floor broker under the Exchange's proposed allocation model would *always* accrue to the customer of that Floor broker (or customers if multiple orders are represented by a Floor broker). Conversely, because a member organization operating a Floor broker may trade on behalf of customers only, it would *never* receive a Floor broker parity allocation for proprietary trading. As such, the Exchange does not consider the proposed parity allocation model for UTP Securities as a Floor broker "benefit," but rather as an allocation model choice for customers.

This choice remains relevant in today's more electronic market. As broker-dealers and institutional investors have reduced the number of natural persons on their own off-Floor trading desks, Floor brokers have come to serve as an extension of the more thinly staffed trading desks of other broker-dealers or institutional investors, but at a variable cost. This is an important function that the Floor brokers play as an agency broker without conflicts and fills a void for firms that have chosen to allocate resources away from trading desks. In addition to this role, Floor brokers provide services for more illiquid securities, which upstairs trading desks may not be staffed to manage. Importantly, when providing such agency trading services, a Floor broker is unconflicted because he or she is not trading for his own account and does not sell research to customers. Floor brokers therefore can focus on price discovery and volume discovery on behalf of their customers, while at the same time managing their customers' order flow to ensure that it does not impact pricing on the market (e.g., executing large positions on behalf of a customer). As discussed above, when managing such customer order flow, Floor brokers trading in UTP Securities would continue to be subject to Exchange rules that are unique to Floor brokers, including Rules 95, 122, 123, and paragraphs (d) – (j) of Rule 134.

Fourth, any member organization can choose to have a Floor broker operation and thus have direct access to Floor broker parity allocations on behalf of its customers. The Exchange does not charge member organizations for the use of booth space on the Floor, and therefore there would be minimal to no extra cost for a member organization to have a Floor business. Indeed, a smaller firm that moves its entire operation to the NYSE Floor could have reduced costs as compared to a firm that needs to pay for office space. Because there is fair access to any member organization to engage in a Floor broker operation, the differences between how an order is allocated to a Floor Broker Participant and Book Participant would not unfairly discriminate among Exchange member organizations.

Finally, customers relying on agency broker-dealers to represent their orders on the Exchange can choose whether to use a Floor broker or a member organization that only uses off-exchange order entry methods.[41] In some cases, customers choose to use a member organization that offers both order entry methods. But the different allocation models are available to all customers that use a member organization to enter orders on the Exchange; having such choice would not unfairly discriminate among customers.

The Exchange also believes that its proposal to make its existing parity allocation model, as modified for the Pillar trading platform, available for UTP Securities would remove impediments to and perfect the mechanism of a free and open market because it would extend the Exchange's choice-based allocation model to all securities that would trade on the Exchange in a manner that is consistent with its Trading Floor model. For market participants other than DMMs, the Exchange does not believe that there is an inherent benefit of one method of allocation on the Exchange over another. Market participants that are latency sensitive – whether for proprietary or agency-based trading – may choose to use the off-exchange order entry method because of the relative speed of that order entry path as compared to Floor broker order entry and availability of Setter Priority allocation. By contrast, market participants that are not as latency sensitive or are seeking an unconflicted agent to manage their order flow and potentially negotiate a large crossing transaction may choose to use a Floor broker.

The Exchange believes that intra-day trading volume entered by Floor brokers in NYSE-listed securities, which are subject to the Exchange's existing parity allocation model, demonstrates how customers have already exercised this choice. In October 2017, orders from Floor brokers represented approximately 5.5% of the intra-day liquidity-providing volume on the Exchange in NYSE-listed securities (the parity allocation model is only applicable to provide volume).[42] The Exchange believes that this volume demonstrates that there is still a value to the end customer – who has a choice – to use a Floor broker. As discussed above, Floor brokers can be distinguished from off-Floor agency member organizations because they operate a pure agency business and do not trade for their own accounts. There are customers that value that conflict-free model. In addition, Floor brokers distinguish themselves by providing high-touch service to their customers. Floor brokers that attract liquidity-providing orders promote the display of liquidity on the Exchange.

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[41] Floor broker customers are generally other broker-dealers or institutional investors. Retail investors generally do not interact directly with either Floor brokers or the trade desks of member organizations that route orders to the Exchange.

[42] Over 75% of Floor broker traded volume in NYSE-listed securities is for auctions. However, because the Exchange would not be conducting auctions in UTP Securities, the relative benefits of a parity allocation to a Floor broker in an auction would not be applicable.

That volume of Floor broker intra-day trading also demonstrates that customers have similarly exercised their choice not to use Floor brokers. If there were an inherent benefit to the Floor broker parity allocation that distinguishes it as superior to the Book Participant allocation, it would likely follow that there would be greater proportion of intra-day order flow directed to Floor brokers in NYSE-listed securities. But that is not the case. In sum, the current NYSE-listed intra-day Floor broker provide volume demonstrates that using a Floor broker has value to certain customers, but also demonstrates that the parity allocation to a Floor broker is not the only component of a customer's decision about how to send its orders to the Exchange. With this filing, the Exchange proposes to extend that choice to UTP Securities, thereby benefiting the ultimate customer of the Floor broker.

The Exchange further believes that its proposed parity allocation model for UTP Securities would remove impediments to and perfect the mechanism of a free and open market and a national market system because it is a competitive offering vis-à-vis other exchange competitors, which offer variations on a price-time priority models, and over-the-counter trading. The Exchange is currently the only registered exchange that does not trade non-Exchange listed securities on a UTP basis. Additionally, the Exchange currently is the only registered exchange that makes available Floor-based trading for cash equity securities. The Exchange proposes to extend the availability of this feature by maintaining Floor-based crossing transactions when it launches trading in UTP Securities. The Exchange believes that trading UTP Securities is a natural extension of its current offering of trading Exchange-listed securities, which also trade on a parity allocation model. The Exchange believes it would promote competition to offer this allocation model for all securities that would trade on the Exchange, thereby providing an alternative allocation model for UTP Securities. Conversely, Floor brokers on the Exchange would be able to expand the services they provide to customers by being able to manage order flow in UTP Securities in addition to Exchange-listed securities. The Exchange also believes that this proposed allocation model would promote intra-market competition by offering a menu of choices to market participants of how their orders in UTP Securities would be allocated on the Exchange.

While the parity allocation model is a competitive offering, its origins are derived from the Floor-based trading model of the Exchange. Accordingly, the Exchange believes that it would remove impediments to and perfect the mechanism of a free and open market and a national market system to provide for Floor-based crossing transactions and to extend existing requirements relating to Floor brokers for orders in UTP Securities that seek to be eligible to be included in the Floor Broker Participant. First, as noted above, the Floor broker must trade on an agency-only basis and would continue to be subject to rules that are unique to a Floor broker, including requirements specified in Rules 95, 122, 123, and 134(d) – (j). Second, consistent with current Rule 70 requirements, for orders in UTP Securities to be eligible to be included in the Floor Broker Participant, such orders must be entered by a Floor broker while on the Trading Floor.

In addition, because the parity allocation model is based on the history of the Exchange as a Floor-based model, the Exchange believes that for orders in UTP Securities to be eligible to be included in the Floor Broker Participant, the Floor broker representing such orders must also be engaged in a Floor broker business in Exchange-listed securities. Trading in UTP Securities on the Trading Floor is designed to complement a Floor broker's existing role in representing orders in Exchange-listed securities because it would enable such Floor brokers to trade additional securities on behalf of their customers. For example, a Floor broker would be better positioned to process baskets of securities that include Tape A, B, and C securities and enter all such orders on the Exchange. By offering the parity allocation model for UTP Securities, a Floor broker would not need to segregate its orders in UTP Securities into different trading strategies than what would be offered for Exchange-listed securities. Because Floor broker trading in UTP Securities is designed to function in tandem with trading in Exchange-listed securities, the Exchange believes that it would remove impediments to and perfect the mechanism of a free and open market and a national market system to require such nexus because it would ensure that member organizations would not seek to conduct a stand-alone Floor broker business in only UTP Securities.

The Exchange believes that proposed Rules 7.10, 7.11, 7.16, 7.18, 7.31, 7.34, 7.38, and 7.46 would remove impediments to and perfect the mechanism of a free and open market and a national market system because they are based on the rules of NYSE Arca and NYSE American. The proposed substantive differences to the Exchange's rules would be because the Exchange would not be offering the full suite of orders and modifiers available on NYSE Arca and NYSE American. In addition, the Exchange proposes substantive differences to these rules consistent with the Exchange's proposed parity allocation model. The Exchange believes that the proposed substantive differences for these rules would remove impediments to and perfect the mechanism of a free and open market and a national market system because they would provide transparency of which orders, modifiers and instructions would be available on the Exchange when it begins trading UTP Securities on the Pillar trading platform, and how the Pillar rules would function with a parity allocation model.

The Exchange believes that the proposed substantive differences to Rule 7.34 to offer Early and Core Trading Sessions, but not a Late Trading Session, would remove impediments to and perfect the mechanism of a free and open market and a national market system because it is consistent with the Exchange's current hours, described in Rule 51, that the Exchange is not open for business after 4:00 p.m. Eastern Time. The Exchange further believes that adding a trading session before 9:30 a.m. Eastern Time would provide additional time for Exchange member organizations to trade UTP Securities on the Exchange consistent with the trading hours of other exchanges, including NYSE American, which also will begin trading at 7:00 a.m. Eastern Time.

The Exchange believes that the proposed amendments to Rules 103B and 107B would remove impediments to and perfect the mechanism of a free and open market and a national market system because they would provide transparency that the Exchange would not be assigning UTP Securities to DMMs and that member organizations would be eligible to register as a Supplemental Liquidity Providers in UTP Securities. The Exchange further believes that not assigning DMMs to UTP Securities is consistent with just and equitable principles of trade because the Exchange would not be conducting auctions in UTP Securities and therefore the Exchange would not need DMMs assigned to such securities to facilitate auctions. Not having DMMs registered in UTP Securities is also consistent with how NYSE Arca and NYSE American function on Pillar, in that neither lead market makers (on NYSE Arca) nor electronic designated market makers (on NYSE American) are assigned securities not listed on those exchanges. The Exchange further believes that it would remove impediments to and perfect the mechanism of a free and open market and a national market system for member organizations to be eligible to register as Supplemental Liquidity Providers in UTP Securities as this would provide an incentive for displayed liquidity in UTP Securities.

The Exchange further believes that it would remove impediments to and perfect the mechanism of a free and open market and a national market system to specify which current rules would not be applicable to trading UTP Securities on the Pillar trading platform. The Exchange believes that the following legend, which would be added to existing rules, "This Rule is not applicable to trading UTP Securities on the Pillar trading platform," would promote transparency regarding which rules would govern trading UTP Securities on the Exchange on Pillar. The Exchange has proposed to add this legend to rules that would be superseded by proposed rules or rules that would not be applicable because they relate to auctions or Floor-based point-of-sale trading.

4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is designed to propose rules to support trading of UTP Securities on the Exchange's new Pillar trading platform. The Exchange operates in a highly competitive environment in which its unaffiliated exchange competitors operate multiple affiliated exchanges that operate under common rules. By adding trading of UTP Securities on the Exchange, the Exchange believes that it will be able to compete on a more level playing field with its exchange competitors that similarly trade all NMS Stocks. In addition, by basing certain rules on those of NYSE Arca and NYSE American, the Exchange will provide its members with consistency across affiliated exchanges, thereby enabling the Exchange to compete with unaffiliated exchange competitors that similarly operate multiple exchanges on the same trading platforms.

More specifically, the Exchange does not believe that the proposal to extend the Exchange's existing parity allocation model, as modified for Pillar, to UTP Securities would impose a burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange believes that the proposal would promote inter-market competition by providing market participants with the choice of a parity allocation model together with Floor crossing transactions for trading UTP Securities, which is not available on any other exchange. For the Exchange's listed securities, its competitive offering includes not only its parity allocation model, but also its auctions. Designed as a complement to existing Floor broker operations in Exchange-listed securities and consistent with the Exchange's current trading model, the Floor Broker Participant parity allocation for UTP Securities would be available only to Floor brokers that engage in Floor trading of Exchange-listed securities, and such Floor brokers would be eligible to engage in manual transactions under Rule 76 for UTP Securities. In addition, to be eligible for a parity allocation, Floor brokers must enter such orders on the Trading Floor and could only trade on an agency basis. Moreover, any trading in UTP Securities by Floor brokers would be subject to existing rules that apply only to Floor brokers, such as Rules 95, 122, 123, and 134(d) – (j).

The Exchange further believes that the proposal would promote intra-market competition because it would provide a choice to customers of how their orders in UTP Securities would be allocated on the Exchange. For certain customers, entering orders via the Book Participant may serve their trading strategies. For other customers, using a Floor broker for intra-day trading may serve their trading strategies. Importantly, the results of a Floor broker allocation would always accrue to the customer, and whether to use a Floor broker is the customer's choice. Accordingly, this proposed market structure is not about providing a "benefit" to a Floor broker, but rather providing customers with a choice of how an order would be allocated.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange respectfully requests accelerated effectiveness of this proposed rule change, as amended, pursuant to Section 19(b)(2) of the Act.[43] The Exchange believes that there is good cause for the Commission to accelerate effectiveness because the Exchange is proposing amendments to proposed Rules 7.31 and 7.36 that are based on recent amendments to similar rules of NYSE Arca and NYSE American.[44] The proposed amendments to the filing also provide specificity regarding how a resting MPL Order with an MTS Modifier that becomes an Aggressing Order would be traded in a manner consistent with the Exchange's proposed parity allocation model. In addition, the Exchange proposes non-substantive differences in Amendment No. 1 to address changes to the names of its affiliated exchanges and the names of market centers referenced in proposed Rule 7.37(e).

The Exchange also proposes amendments to the filing relating to requirements for Floor brokers for their orders to be eligible to be included in the Floor Broker Participant. Specifically, the Exchange proposes that to be eligible, an order must be entered by a Floor broker while on the Trading Floor, must be on an agency basis, and the member organization with which the Floor broker is associated engages in a Floor broker business in Exchange-listed securities. In addition, the Exchange proposes to provide for Floor-based point-of-sale trading in UTP Securities. The Exchange is not proposing any other differences to the rule text of SR-NYSE-2017-36 as originally filed.[45]

The Exchange believes that Amendment No. 1 is responsive to the Commission's request for comments set forth in its Order Instituting Proceedings to Determine Whether to Approve or Disapprove this filing.[46] In the Order, the Commission requested comments regarding the role of Floor brokers in trading UTP Securities, the benefits or costs for using a Floor broker to trade UTP Securities, and whether providing Floor brokers with parity in UTP Securities would be unfairly discriminatory under the Act. As described in more detail in this Amendment No. 1, the Exchange believes that the proposed rule change is consistent with the Act.

The Exchange further believes that the proposed amendments moot the objections of the single comment letter submitted in opposition, which inaccurately refers to

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43 15 U.S.C. 78s(b)(2).

44 See supra note 18.

45 See Securities Exchange Act Release No. 81310 (August 3, 2017), 82 FR 37257 (August 9, 2017) (SR-NYSE-2017-36) (Notice of Filing).

46 See Securities Exchange Act Release No. 82028 (November 7, 2017), 82 FR 52757 (November 14, 2017) (SR-NYSE-2017-36) ("Order").

the proposal as a "fully electronic system." By contrast, as proposed, the Exchange would offer point-of-sale Floor trading for UTP Securities. In addition, the Exchange proposes to require that Floor brokers trading in UTP Securities must also be engaged in a Floor business in Exchange-listed securities, thus providing a nexus. With respect to pegging orders, the comment letter inaccurately states that a pegging order would have a time advantage over other orders. But the point of a parity allocation model (as the comment letter earlier noted as a problem with the model), is that the order that is first in time does not automatically get to the first execution opportunity. Rather, the position of the parity wheel determines who gets the first allocation. Accordingly, a pegging order entered by a Floor broker may be first in time, but the Book Participant may have the first position on the parity wheel, and therefore would participate in the execution.

Finally, the Exchange notes that the comment letter suggests that the only allocation model that is consistent with the Act would be a time priority model. However, that is not the case. Indeed, one of the markets operated by the commenter offers an allocation model other than price-time priority.[47] For the Commission to find that the only allocation model that would be consistent with the Act is a price-time priority model would be to accept that traders that value speed, and thus have the technology to take advantage of that speed (possibly to the disadvantage of less sophisticated investors), should always be the first beneficiary of trading on an exchange. Accordingly, the Exchange believes that there is good cause to accelerate effectiveness of Amendment No. 1 to SR-NYSE-2017-36.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based on NYSE Arca Rules 7.10-E, 7.16-E, 7.18-E, 7.31-E, 7.34-E, 7.36-E, 7.37-E, 7.38-E, and 7.46-E and NYSE American Rules 7.10E, 7.11E, 7.16E, 7.18E, 7.31E, 7.34E, 7.36E, 7.37E, 7.38E, and 7.46E.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

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47 See Cboe Exchange, Inc. Rule 6.45(a)(i)(B) and (C) (offering pro-rata priority and aggregated pro-rata priority).

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 4 – Proposed Rule Text Market to Show Changes Made in Amendment No. 1

Exhibit 5 – Text of Proposed Rule Change

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSE-2017-36; Amendment No. 1)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change for Trading UTP Securities on Pillar, the Exchange's New Trading Technology Platform, Including Orders and Modifiers, Order Ranking and Display, and Order Execution and Routing

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the "Act")[2] and Rule 19b-4 thereunder,[3] notice is hereby given that, on February 23, 2018, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes rules for trading UTP Securities on Pillar, the Exchange's new trading technology platform, including rules governing orders and modifiers, order ranking and display, and order execution and routing. This Amendment No. 1 replaces and supersedes the original filing of SR-NYSE-2017-36 in its entirety. The proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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1 15 U.S.C.78s(b)(1).

2 15 U.S.C. 78a.

3 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

On January 29, 2015, the Exchange announced the implementation of Pillar, which is an integrated trading technology platform designed to use a single specification for connecting to the equities and options markets operated by the Exchange and its affiliates, NYSE Arca, Inc. ("NYSE Arca") and NYSE American LLC ("NYSE American").[4] NYSE Arca's cash equities market was the first trading system to migrate to Pillar.[5] NYSE American's cash equities market transitioned to Pillar on July 24,

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4 See Trader Update dated January 29, 2015, available here: www.nyse.com/pillar.

5 In connection with the NYSE Arca implementation of Pillar, NYSE Arca filed four rule proposals relating to Pillar. See Securities Exchange Act Release Nos. 74951 (May 13, 2015), 80 FR 28721 (May 19, 2015) (Notice) and 75494 (July 20, 2015), 80 FR 44170 (July 24, 2015) (SR-NYSEArca-2015-38) (Approval Order of NYSE Arca Pillar I Filing, adopting rules for Trading Sessions, Order Ranking and Display, and Order Execution); Securities Exchange Act Release Nos. 75497 (July 21, 2015), 80 FR 45022 (July 28, 2015) (Notice) and 76267 (October 26, 2015), 80 FR 66951 (October 30, 2015) (SR-NYSEArca-2015-56) (Approval Order of NYSE Arca Pillar II Filing, adopting rules for Orders and Modifiers and the Retail Liquidity Program); Securities Exchange Act Release Nos. 75467 (July 16, 2015), 80 FR 43515 (July 22, 2015) (Notice) and 76198 (October 20, 2015), 80 FR 65274 (October 26, 2015) (SR-NYSEArca-2015-58) (Approval Order of

2017.[6]

Overview

The NYSE serves a unique role in the U.S. market as the only cash equities exchange that still has an active Trading Floor.[7] Member organizations that operate a

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NYSE Arca Pillar III Filing, adopting rules for Trading Halts, Short Sales, Limit Up-Limit Down, and Odd Lots and Mixed Lots); and Securities Exchange Act Release Nos. 76085 (October 6, 2015), 80 FR 61513 (October 13, 2015) (Notice) and 76869 (January 11, 2016), 81 FR 2276 (January 15, 2016) (Approval Order of NYSE Arca Pillar IV Filing, adopting rules for Auctions). NYSE Arca Equities, Inc., which was a wholly-owned corporation of NYSE Arca, has been merged with and into NYSE Arca and as a result, certain former NYSE Arca Equities rules are now the rules of NYSE Arca using the same rule number but with an additional suffix of "-E" added to each rule. See Securities Exchange Act Release No. 81419 (August 17, 2017), 82 FR 40044 (August 23, 2017) (SR-NYSEArca-2017-40) (Approval Order).

6 In connection with the NYSE American implementation of Pillar, NYSE American filed several rule changes. See Securities Exchange Act Release Nos. 79242 (November 4, 2016), 81 FR 79081 (November 10, 2016) (SR-NYSEMKT-2016-97) (Notice and Filing of Immediate Effectiveness of Proposed Rule Change of framework rules); 81038 (June 28, 2017), 82 FR 31118 (July 5, 2017) (SR-NYSEMKT-2016-103) (Approval Order) (the "ETP Listing Rules Filing"); 80590 (May 4, 2017), 82 FR 21843 (May 10, 2017) (Approval Order) (NYSE MKT rules governing automated trading); 80577 (May 2, 2017), 82 FR 21446 (May 8, 2017) (SR-NYSEMKT-2017-04) (Approval Order) (NYSE MKT rules governing market makers); 80700 (May 16, 2017), 82 FR 23381 (May 22, 2017) (SR-NYSEMKT-2017-05) (Approval Order) (NYSE MKT rules governing delay mechanism). NYSE American was previously known as NYSE MKT LLC. See Securities Exchange Act Release No. 80748 (May 23, 2017), 82 FR 24764, 24765 (SR-NYSEMKT-2017-20) (Notice of filing and immediate effectiveness of proposed rule change to change the name of NYSE MKT to NYSE American).

7 The term "Floor" means the trading Floor of the Exchange and the premises immediately adjacent thereto, such as the various entrances and lobbies of the 11 Wall Street, 18 New Street, 8 Broad Street, 12 Broad Street and 18 Broad Street Buildings, and also means the telephone facilities available in these locations. See Rule 6. The term "Trading Floor" means the restricted-access physical areas designated by the Exchange for the trading of securities, commonly known as the "Main Room" and the "Buttonwood Room," but does not include (i) the areas in the "Buttonwood Room" designated by the Exchange where NYSE American-listed options are traded, which, for the purposes of the Exchange's Rules, shall be referred to as the "NYSE American Options Trading Floor" or (ii) the physical

Floor broker business play a vital role in that model, through participation in auctions and point-of-sale trading with other members on the Floor. Under Exchange rules, member organizations that operate a Floor broker business are eligible for parity allocations for liquidity-providing orders that are entered on the Floor.[8] Because Floor brokers operate an agency-only business, such parity allocations always accrue to their customers. All other national securities exchanges use a price-time allocation methodology. On an exchange with price-time allocation, the order resting on the book that arrived first will be executed in full before other orders at that same price are executed. In this way, a price-time allocation creates incentives for market participants to invest in technology and use the fastest telecommunication lines. While the Exchange does not contend there is anything wrong with price-time allocation, it believes that a parity allocation model serves as a choice to investors that are not driven by speed and that value the service an agency Floor broker can provide in managing order flow. The Exchange currently offers this choice for trading in its listed securities and is proposing to offer investors that same choice in other NMS securities.

Currently, the Exchange only trades securities listed on the Exchange. With Pillar, the Exchange proposes to expand its offering and introduce trading of UTP Securities.[9] Because trading in UTP Securities on the Exchange is designed to

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area within fully enclosed telephone booths located in 18 Broad Street at the Southeast wall of the Trading Floor. See Rule 6A.

8 See NYSE Rules 70 and 72.

9 The term "UTP Security" means a security that is listed on a national securities exchange other than the Exchange and that trades on the Exchange pursuant to unlisted trading privileges. See Rule 1.1(ii). The Exchange has authority to extend unlisted trading privileges to any security that is an NMS Stock that is listed on another national securities exchange or with respect to which unlisted

complement and be an extension of the current trading services it offers, customer orders in both Exchange-listed securities and UTP Securities entered by Floor brokers while on the Floor would have consistent allocation behavior. Accordingly, the Exchange proposes that trading in UTP Securities would be subject to a parity allocation model that is similar to the existing allocation model for Exchange-listed securities, with modifications described below.

Unlike the trading of listed securities on the Exchange, the Exchange would not conduct any auctions in UTP Securities.[10] Even though DMMs would not be assigned to UTP Securities, the Exchange proposes to offer point-of-sale trading of UTP Securities for Floor brokers on the Trading Floor for crossing transactions. Accordingly, member organizations that operate Floor broker operations would be able to represent their customers' orders in UTP Securities under both current rules relating to manual transactions on the Trading Floor and proposed rules relating to trading on the Pillar trading platform. As with listed securities, member organizations approved as Supplemental Liquidity Providers would be eligible to be assigned UTP Securities.[11]

Member organizations trading UTP Securities would continue to be required to comply with Section 11(a)(1) of the Act, 15 U.S.C. 78k(a)(1), and any applicable exceptions thereto as are currently applicable to trading on the Exchange. As described

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trading privileges may otherwise be extended in accordance with Section 12(f) of the Act. See Rule 5.1(a)(1).

10 The Exchange will continue to trade NYSE-listed securities on its current trading platform without any changes. The Exchange will transition trading in NYSE-listed securities to Pillar at a separate date, which will be the subject of separate proposed rule changes.

11 See Rule 107B, which the Exchange is proposing to amend, see infra.

below, trading by Floor brokers on the Trading Floor at the point of sale for UTP Securities, also referred to as "manual trading" or "manual transactions," would continue to be subject to current rules relating to such trading. In addition, all trading by Floor brokers in UTP Securities (whether manual or electronic transactions) on the Exchange would continue to be subject to rules that are unique to Floor brokers, including Rules 95 (Discretionary Transactions), 122 (Orders with More than One Broker), 123 (Record of Orders), and paragraphs (d) – (j) of Rule 134 and related Supplementary Material (requirement for Floor brokers to maintain an error account).

With the exception of specified point-of-sale trading for Floor brokers, trading in UTP Securities would be subject to the Pillar Platform Rules, as set forth in Rules 1P – 13P.[12] With this proposed rule change, the Exchange proposes changes to Rule 7P Equities Trading that would govern such trading in UTP Securities. The proposed rules are based in part on the rules of NYSE Arca and NYSE American, with the following substantive differences:

- Consistent with the Exchange's current allocation model, trading in UTP Securities on the Exchange would be a parity allocation model with a setter priority allocation for the participant that sets the BBO.[13]
- The Exchange would not offer a Retail Liquidity Program and

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[12] See Securities Exchange Act Release Nos. 76803 (December 30, 2015), 81 FR 536 (January 6, 2016) (SR-NYSE-2015-67) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change) ("Framework Filing"); and 80214 (March 10, 2017), 82 FR 14050 (March 16, 2017) (SR-NYSE-2016-44) (Approval Order) ("ETP Listing Rules Filing"). See also SR-NYSE-2017-35.

[13] The term "BBO" means the best bid or offer on the Exchange. See Rule 1.1(h).

related order types (Retail Orders and Retail Price Improvement Orders) for UTP Securities.

- The Exchange would not conduct auctions in UTP Securities.
- The Exchange would offer two trading sessions, with the Early Trading Session beginning at 7:00 a.m. Eastern Time.
- The Exchange is not proposing to offer the full suite of order instructions and modifiers that are available on NYSE Arca and NYSE American.

Subject to rule approvals, the Exchange will announce the implementation of trading UTP Securities on the Pillar trading system by Trader Update, which the Exchange anticipates will be in the second quarter of 2018.

Applicability of Current Rules on Trading UTP Securities on Pillar

Once trading in UTP Securities on the Pillar trading platform begins, specified current Exchange trading rules would not be applicable for trading UTP Securities. As described in more detail below, for each current rule that would not be applicable for trading on the Pillar trading platform, the Exchange proposes to state in a preamble to such rule that "this rule is not applicable to trading UTP Securities on the Pillar trading platform." Current Exchange rules governing equities trading that do not have this preamble will govern Exchange operations on Pillar. [14]

The Exchange proposes that current rules governing Floor-based crossing transactions would be applicable to trading in UTP Securities. As with crossing

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[14] See Securities Exchange Act Release No. 81225 (July 27, 2017), 82 FR 36033 (August 2, 2017) (SR-NYSE-2017-35) (Notice of filing to amend certain Exchange rules to add a preamble that such rules would not be applicable to trading UTP Securities on the Pillar trading platform).

transactions for Exchange-listed securities, any such cross transactions must meet the requirements of current Rule 76. However, unlike trading in Exchange-listed securities, because UTP Securities would not be assigned to a trading post with a DMM, the trading crowd for such trading, i.e., the point of sale, would be a physical location on the Trading Floor designated by the Exchange and staffed by an Exchange employee.

Because the Exchange proposes to provide for Floor crossing transactions in UTP Securities, Rules 74, 75, and 76, which relate to crossing transactions on the Floor and ancillary Floor-based requirements, would be applicable to trading UTP Securities. At this time, the Exchange would not make available for UTP Securities the cross function described in Supplementary Material .10 to Rule 76. Accordingly, the Exchange proposes to add a preamble to Rule 76 that would provide that Supplementary Material .10 to that Rule would not be applicable to trading UTP Securities on the Pillar trading platform.

The Exchange also proposes to amend the existing preambles to Rules 128A, 128B, 130, 131, 132, and 135[15] to reflect that crossing transactions pursuant to Rule 76 would be subject to existing Exchange rules relating to publication of Floor-based transactions, corrections to the Tape, and clearing. The amended preambles to these rules would provide that "except for manual transactions pursuant to Rule 76," such rules would not be applicable to trading UTP Securities on the Pillar trading platform.

Finally, the Exchange proposes to amend the preamble to Rule 134, which currently provides that such rule is not applicable to trading UTP Securities on the Pillar trading platform. Rule 134(a) – (c) relates to clearing of Floor-based transactions, and

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15 See id.

would be applicable to any manual transactions pursuant to Rule 76 in UTP Securities. Rule 134(d) – (j) separately requires a Floor broker to maintain an error account. Because Floor brokers would continue to be subject to Section 11(a)(1) of the Act for all trading in UTP Securities, the Exchange proposes that current Rules 134(d) – (j) would be applicable to all Floor broker trading of UTP Securities on the Exchange. To effect these two changes, the Exchange proposes that the preamble to Rule 134 would be amended to provide that: "Except for manual transactions pursuant to Rule 76, paragraphs (a) – (c) of this Rule are not applicable to trading UTP Securities on the Pillar trading platform."

Proposed Rule Changes

As noted above, with the exception of crossing transactions pursuant to Rule 76 and related rules, the Exchange proposes rules that would be applicable to trading UTP Securities on Pillar that are based on the rules of NYSE Arca and NYSE American. As a global matter, the Exchange proposes non-substantive differences as compared to the NYSE Arca rules to use the terms "Exchange" instead of the terms "NYSE Arca Marketplace" or "NYSE Arca" and to use the terms "mean" or "have meaning" instead of the terms "shall mean" or "shall have the meaning." In addition, the Exchange will use the term "member organization," which is defined in Rule 2, instead of the terms "ETP Holder" or "User."[16]

As previously established in the Framework Filing, Section 1 of Rule 7P sets forth the General Provisions relating to trading on the Pillar trading platform and Section 3 of

16 Because these non-substantive differences would be applied throughout the proposed rules, the Exchange will not note these differences separately for each proposed rule.

Rule 7P sets forth Exchange Trading on the Pillar trading platform. In this filing, the Exchange proposes new Rules 7.10, 7.11, and 7.16 and to amend Rule 7.18 for Section 1 of Rule 7P and new Rules 7.31, 7.34, 7.36, 7.37, and 7.38 for Section 3 of Rule 7P. In addition, the Exchange proposes new Section 5 of Rule 7P to establish rules for the Plan to Implement a Tick Size Pilot Program, and proposes new Rule 7.46 in that section.

Below, the Exchange first describes proposed Rules 7.36 and 7.37, as these rules would establish the Exchange's Pillar rules governing order ranking and display and order execution and routing. Next, the Exchange describes proposed Rule 7.31, which would establish the orders and modifiers available for trading UTP Securities on Pillar. Finally, the Exchange describes proposed Rules 7.10, 7.11, 7.16, 7.34, 7.38, and 7.46 and amendments to Rule 7.18.

Proposed Rule 7.36

Proposed Rule 7.36 (Order Ranking and Display) would establish how orders in UTP Securities would be ranked and displayed on the Pillar trading platform. As described above, the Exchange proposes to extend its current allocation model to trading UTP Securities on Pillar, including the concept of "setter interest," which the Exchange would define in proposed Rule 7.36 as "Setter Priority." Except for the addition of Setter Priority, the Exchange proposes to use Pillar functionality for determining how orders would be ranked and displayed. Accordingly, proposed Rule 7.36 is based in part on NYSE Arca Rule 7.36-E and NYSE American Rule 7.36E, with substantive differences as described below.

Proposed Rule 7.36(a) – (g)

Proposed Rules 7.36(a) – (g) would establish rules defining terms that would be used in Rule 7P – Equities Trading and that describe the display and ranking of orders on the Exchange, including ranking based on price, priority category, and time. The proposed rule text is based on NYSE Arca Rule 7.36-E(a) – (g) and NYSE American Rule 7.36E(a) – (g) with the following substantive differences:

- Proposed Rule 7.36(a)(5) would add a definition of the term "Participant," which is based on how the term "individual participant" is defined in current Rule 72(c)(ii), with non-substantive differences. The Exchange proposes that the term "Participant" would mean for purposes of parity allocation, a Floor broker trading license (each, a "Floor Broker Participant") or orders collectively represented in the Exchange Book that have not been entered by a Floor Broker Participant ("Book Participant").[17] The Exchange proposes to use the term "Floor broker trading license" rather than "each single Floor broker" because pursuant to Rule 300 a trading license is required to effect transactions on the Floor of the Exchange or any facility thereof and a member organization designates natural persons to effect transactions on the Floor on its behalf. Accordingly, reference to a "Floor broker trading license" makes clear that the Floor broker participant is at the trading license level, rather than at the member organization level. The Exchange also proposes to use the term "Exchange Book," which is a defined term, rather than referring more

17 As defined in Rule 1.1(a), the term "Exchange Book" refers to the Exchange's electronic file of orders, which contains all orders entered on the Exchange. Accordingly, all orders entered by Floor brokers in UTP Securities are included in the Exchange Book. The Exchange proposes to use the term "Book Participant" as continuity from its current rules, which refer to the Book Participant. See Rule 72(c)(ii).

generally to "Exchange systems."

As described in greater detail below, the Exchange proposes that its existing parity allocation model would be available for all securities that trade on the Exchange. Because there would not be a DMM assigned to any UTP Securities, orders represented by individual Floor Brokers and the Book Participant would be eligible for a parity allocation for UTP Securities.

Because trading in UTP Securities is intended to be an extension of the Exchange's current Floor-based trading model, the Exchange proposes that Floor Broker Participant allocations for UTP Securities would be available only to Floor brokers that also engage in a Floor broker business in Exchange-listed securities. As further proposed, an order entered by a Floor broker would be eligible to be included in the Floor Broker Participant only if: (A) such order is entered by a Floor broker while on the Trading Floor, which is an existing requirement;[18] and (B) such order is not entered for the account of the member organization, the account of an associated person, or an account with respect to which the member, member organization, or an associated person exercises investment

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[18] Rule 70(a)(i) requires a Floor broker to be in the "Crowd" in order to enter e-Quotes, which are eligible for a parity allocation. Rule 70.30 defines the term "Crowd" as the rooms on the Exchange Floor that contain active posts/panels where Floor brokers are able to conduct business and a Floor broker is considered to be in the Crowd if he or she is physically present in one of these room. Rule 6A defines the term "Trading Floor" to mean the restricted-access physical areas designated by the Exchange for the trading of securities, commonly known as the "Main Room" and the "Buttonwood Room." The terms "Crowd" and "Trading Floor" therefore refer to the same physical location.

discretion, unless such order is entered pursuant to Rule 134(d) – (j), i.e., the order is entered via the Floor broker's error account.

- Proposed Rule 7.36(a)(6) would add the definition of "Aggressing Order" to mean a buy (sell) order that is or becomes marketable against sell (buy) interest on the Exchange Book and that a resting order may become an Aggressing Order if its working price changes, if the PBBO or NBBO is updated, because of changes to other orders on the Exchange Book, or when processing inbound messages.[19] This proposed term would be used in proposed Rule 7.37, described below.
- Because all displayed Limit Orders would be displayed on an anonymous basis, the Exchange does not propose to include text based on the first clause of NYSE Arca Rule 7.36-E(b)(2) in proposed Rule 7.36(b)(2).
- Proposed Rule 7.36(c) regarding ranking would not include reference to price-time priority, as the Exchange's allocation model would not always be a price-time priority allocation, as described below. As further described below, the Exchange would rank orders consistent with proposed Rule 7.36(c).
- Proposed Rule 7.36(e) would establish three priority categories: Priority 1 – Market Orders, Priority 2 – Display Orders, and Priority 3 – Non-Display Orders. The Exchange would not offer any additional priority

[19] NYSE Arca and NYSE American have recently amended their rules to add this definition of "Aggressing Order." See Securities Exchange Act Release Nos. 82447 (January 5, 2018), 83 FR 1442 (January 11, 2018) (SR-NYSEAmer-2017-40) and 82504 (January 16, 2018), 83 FR 3038 (January 22, 2018) (SR-NYSEArca-2018-02).

categories for trading of UTP Securities.

In addition to these substantive differences, the Exchange proposes a non-substantive clarifying difference for proposed Rule 7.36(f)(1)(B) to add "[o]ther than as provided for in Rule 7.38(b)(2)," to make clear that the way in which a working time is assigned to an order that is partially routed to an Away Market and returns to the Exchange is addressed in both proposed Rule 7.36(f)(1)(B) and proposed Rule 7.38(b)(2). The Exchange also proposes non-substantive differences to proposed Rule 7.36(f)(2) and (3) to streamline the rule text.

Proposed Rule 7.36(h) – Setter Priority

Proposed Rule 7.36(h) would establish how Setter Priority would be assigned to an order and is based in part on current Rules 72(a) and (b). Rule 72(a)(ii) provides that when a bid or offer, including pegging interest is established as the only displayable bid or offer made at a particular price and such bid or offer is the only displayable interest when such price is or becomes the Exchange BBO (the "setting interest"), such setting interest is entitled to priority for allocation of executions at that price as described in Rule 72. The rule further provides that:

- Odd-lot orders, including aggregated odd-lot orders that are displayable, are not eligible to be setting interest. (Rule 72(a)(ii)(A))
- If, at the time displayable interest of a round lot or greater becomes the Exchange BBO, there is other displayable interest of a round lot or greater, including aggregated odd-lot orders that are equal to or greater than a round lot, at the price that becomes the Exchange BBO, no interest is considered to be a setting interest, and, therefore, there is no priority

established. (Rule 72(a)(ii)(B))

- If, at the time displayable interest of a round lot or greater becomes the Exchange BBO, there is other displayable interest the sum of which is less than a round lot, at the price that becomes the Exchange BBO, the displayable interest of a round lot or greater will be considered the only displayable bid or offer at that price point and is therefore established as the setting interest entitled to priority for allocation of executions at that price as described in this rule. (Rule 72(a)(ii)(C))
- If executions decrement the setting interest to an odd-lot size, a round lot or partial round lot order that joins such remaining odd-lot size order is not eligible to be the setting interest. (Rule 72(a)(ii)(D))
- If, as a result of cancellation, interest is or becomes the single displayable interest of a round lot or greater at the Exchange BBO, it becomes the setting interest. (Rule 72(a)(ii)(E))
- Only the portion of setting interest that is or has been published in the Exchange BBO is entitled to priority allocation of an execution. That portion of setting interest that is designated as reserve interest and therefore not displayed at the Exchange BBO (or not displayable if it becomes the Exchange BBO) is not eligible for priority allocation of an execution irrespective of the price of such reserve interest or the time it is accepted into Exchange systems. However, if, following an execution of part or all of setting interest, such setting interest is replenished from any reserve interest, the replenished volume of such setting interest shall be

entitled to priority if the setting interest is still the only interest at the Exchange BBO. (Rule 72(a)(ii)(F))

- If interest becomes the Exchange BBO, it will be considered the setting interest even if pegging interest, Limit Orders designated ALO, or sell short orders during a Short Sale Period under Rule 440B(e) are re-priced and displayed at the same price as such interest , and it will retain its priority even if subsequently joined at that price by re-priced interest. (Rule 72(a)(ii)(G))

Rule 72(b)(i) provides that once priority is established by setting interest, such setting interest retains that priority for any execution at that price when that price is at the Exchange BBO and if executions decrement the setting interest to an odd-lot size, such remaining portion of the setting interest retains its priority for any execution at that price when that price is the Exchange BBO. Rule 72(b)(ii) further provides that for any execution of setting interest that occurs when the price of the setting interest is not the Exchange BBO, the setting interest does not have priority and is executed on parity. Finally, Rule 73(b)(ii) provides that priority of setting interest will not be retained after the close of trading on the Exchange or following the resumption of trading in a security after a trading halt in such security has been invoked pursuant to Rule 123D or following the resumption of trading after a trading halt invoked pursuant to the provisions of Rule 80B. In addition, priority of the setting interest is not retained on any portion of the priority interest that is routed to an away market and is returned unexecuted unless such priority interest is greater than a round lot and the only other interest at the price point is odd-lot orders, the sum of which is less than a round lot.

Proposed Rule 7.36(h) would use Pillar terminology to establish "Setter Priority," which would function similarly to setting interest under Rule 72. The Exchange proposes the following substantive differences to how Setter Priority would be assigned and retained on Pillar:

- To be eligible for Setter Priority, an order would have to establish not only the BBO, but also either join an Away Market NBBO or establish the NBBO. The Exchange believes that requiring an order to either join or establish an NBBO before it is eligible for Setter Priority would encourage the display of aggressive liquidity on the Exchange.
- A resting order would not be eligible to be assigned Setter Priority simply because it is the only interest at that price when it becomes the BBO (either because of a cancellation of other interest at that price or because a resting order that is priced worse than the BBO becomes the BBO). The Exchange believes that the benefit of Setter Priority should be for orders that are aggressively seeking to improve the BBO, rather than for passive orders that become the BBO.
- The replenished portion of a Reserve Order would not be eligible for Setter Priority. The Exchange believes that Setter Priority should be assigned to interest willing to be displayed, and because the reserve interest would not be displayed on arrival, it would not be eligible for Setter Priority.
- Orders that are routed and returned unexecuted would be eligible for Setter Priority consistent with the proposed rules regarding the working

time assigned to the returned quantity of an order. As described in greater detail below, if such orders meet the requirements to be eligible for Setter Priority, e.g., establish the BBO and either join or establish the NBBO, they would be evaluated for Setter Priority.

Proposed Rule 7.36(h) would provide that Setter Priority would be assigned to an order ranked Priority 2 – Display Orders with a display quantity of at least a round lot if such order (i) establishes a new BBO and (ii) either establishes a new NBBO or joins an Away Market NBBO. The rule would further provide that only one order is eligible for Setter Priority at each price. This proposed rule text is based in part on Rule 72(a)(ii), 72(a)(ii)(A), 72(a)(ii)(B), 72(a)(ii)(C), subject to the substantive differences described above.[20]

Proposed Rule 7.36(h)(1) would set forth when an order would be evaluated for Setter Priority. As noted above, the Exchange proposes a substantive difference from current Rule 72(a)(ii) in that a resting order would not be eligible to be assigned Setter Priority simply because it is the only interest at that price when it becomes the BBO.

- Proposed Rule 7.36(h)(1)(A) would provide that an order would be evaluated for Setter Priority on arrival, which would include when any portion of an order that has routed returns unexecuted and is added to the Exchange Book. Pursuant to proposed Rule 7.37(a)(1), described below, an order that is routed on arrival to an Away Market would not be assigned a working time. Proposed Rule 7.36(f) provides that an order

[20] Because of the proposed substantive differences, the Exchange is not proposing rules based on current Rules 72(a)(ii)(D) and (E). In addition, when an order is considered displayed on Pillar would be addressed in proposed Rule 7.36(b)(1). Accordingly, the Exchange is not proposing rule text based on Rule 72(a)(i).

would not be assigned a working time until it is placed on the Exchange Book. As such, an order that has returned after routing would be processed similarly to a newly arriving order. Therefore, the Exchange believes that an order should be evaluated for Setter Priority when it returns from an Away Market unexecuted in the same way as evaluating an order for Setter Priority on arrival.

When evaluating Setter Priority for an order that has returned from an Away Market unexecuted, the Exchange would assess whether such order meets the requirements of proposed Rule 7.36(h), which is based in part on the second sentence of Rule 72(b)(iii). The Exchange proposes that for Pillar, an order that was routed to an Away Market and returned unexecuted would be evaluated for Setter Priority based on how a working time would be assigned to the returned quantity of the routed order, as described in proposed Rules 7.16(f)(5)(H), 7.36(f)(1)(A) and (B), and 7.38(b)(2).

- Proposed Rule 7.16(f)(5)(H) provides that if a Short Sale Price Test, as defined in that rule, is triggered after an order has routed, any returned quantity of the order and the order it joins on the Exchange Book would be adjusted to a Permitted Price.[21] In such case, the returned quantity and the resting quantity that would be

[21] Pursuant to proposed Rule 7.16(f)(5)(A), described below, during a Short Sale Period, as defined in that rule, short sale orders with a working price and/or a display price equal to or lower than the NBB will have the working price and/or display price adjusted one minimum price increment above the current NBB, which is the "Permitted Price."

re-priced to a Permitted Price would be a single order and the Exchange would evaluate such order for Setter Priority. If such order would set a new BO and either join or establish a new NBO, it would be assigned Setter Priority. For example, if the Exchange receives a sell short order of 200 shares ranked Priority 2 – Display Orders, routes 100 shares (“A”) of such order and adds 100 shares (“B”) of such order to the Exchange Book, “B” would be displayed at the price of the sell short order. If an Away Market NBB locks the price of “B” and then a Short Sale Price Test is triggered, “B” would remain displayed at the price of the NBB.[22] If subsequently, “A” returns unexecuted, pursuant to proposed Rule 7.16(f)(5)(H), “A” and “B” would be considered a single order and would be re-priced to a Permitted Price, at which point the order would be evaluated for Setter Priority.

- Proposed Rule 7.36(f)(1)(A) provides that an order that is fully routed to an Away Market would not be assigned a working time unless and until any unexecuted portion of the order returns to the Exchange Book. As proposed, if the Exchange routes an entire order and a portion returns unexecuted, the Exchange would evaluate the returned quantity for Setter Priority as if it were a newly arriving order. For example, if less than a round lot returns unexecuted, the returned quantity would not be eligible for Setter

[22] See proposed Rule 7.16(f)(6).

Priority. If at least a round lot returns unexecuted, establishes a new BBO, and either joins or establishes the NBBO, it would be eligible for Setter Priority.

- Proposed Rule 7.36(f)(1)(B) provides that (except as provided for in proposed Rule 7.38(b)(2)), if an order is partially routed to an Away Market on arrival, the portion that is not routed would be assigned a working time and any portion of the order returning unexecuted would be assigned the same working time as any remaining portion of the original order resting on the Exchange Book and would be considered the same order as the resting order. In such case, if the resting portion of the order has Setter Priority, the returned portion would also have Setter Priority.

  For example, if the Exchange receives a 200 share order ranked Priority 2 – Display Orders, routes 100 shares ("C") of such order and adds 100 shares ("D") of such order to the Exchange Book, which establishes the BBO and joined the NBBO, "D" would be assigned Setter Priority. If "D" is partially executed and decremented to 50 shares and another order "E" for 100 shares joins "D" at its price, pursuant to proposed Rules 7.36(h)(2)(A) and (B), described below, "D" would retain Setter Priority. If "C" returns unexecuted, it would join the working time of "D" pursuant to proposed Rule 7.36(f)(1)(B), "C" and "D" would be considered a single order, and "C" would therefore also receive Setter Priority.

- o Proposed Rule 7.38(b)(2) provides that for an order that is partially routed to an Away Market on arrival, if any returned quantity of such order joins resting odd-lot quantity of the original order and the returned and resting quantity, either alone or together with other odd-lot orders, would be displayed as a new BBO, both the returned and resting quantity would be assigned a new working time. In such case, the returned quantity and the resting odd-lot quantity together would be a single order and would be evaluated for Setter Priority.

  For example, if the Exchange receives an order for 100 shares, routes 50 shares ("E") of such order and the remaining 50 shares ("F") of such order are added to the Exchange Book, pursuant to proposed Rule 7.36(f)(1)(B), "F" would be assigned a working time when it is added to the Exchange Book. If "E" returns unexecuted, and "E" and "F" together would establish a new BBO at that price, pursuant to proposed Rule 7.38(b)(2), "F" would be assigned a new working time to join the working time of "E," and "E" and "F" would be considered a single order. If the returned quantity together with the resting quantity establishes the BBO pursuant to proposed Rule 7.38(b)(2), the order would be eligible to be evaluated for Setter Priority.

- Proposed Rule 7.36(h)(1)(B) would provide that an order would be evaluated for Setter Priority when it becomes eligible to trade for the first time upon transitioning to a new trading session. When an order becomes eligible to trade upon a trading session transition, it is treated as if it were a newly arriving order. Accordingly, the Exchange believes it would be consistent with its proposal to evaluate arriving orders for Setter Priority to also evaluate orders that become eligible to trade upon a trading session transition for Setter Priority. For example, pursuant to proposed Rule 7.34(c)(1), described below, the Exchange would accept Primary Pegged Orders during the Early Trading Session, however, such orders would not be eligible to trade until the Core Trading Session begins. In such case, a Primary Pegged Order would be evaluated for Setter Priority when it becomes eligible to trade in the Core Trading Session.

Proposed Rule 7.36(h)(2) would establish when an order retains its Setter Priority, as follows:

- if it is decremented to any size because it has either traded or been partially cancelled (proposed Rule 7.36(h)(2)(A)). This proposed rule is based on Rule 72(b)(i), with non-substantive differences to use Pillar terminology.
- if it is joined at that price by a resting order that is re-priced and assigned a display price equal to the display price of the order with Setter Priority (proposed Rule 7.36(h)(2)(B)). This proposed rule is based on Rule 72(a)(ii)(G), with non-substantive differences to use Pillar terminology.
- if the BBO or NBBO changes (proposed Rule 7.36(h)(2)(C)). This proposed rule, together with proposed Rule 7.37(b)(1)(B), described

below, is based on Rule 72(b)(ii), with non-substantive differences to use Pillar terminology. Specifically, once an order has been assigned Setter Priority, it has that status so long as it is on the Exchange Book, subject to proposed Rule 7.36(h)(3), described below, regardless of the BBO or NBBO. However, as described in proposed Rule 7.37(b)(1)(B), it would only be eligible for a Setter Priority allocation if it is executed when it is the BBO.

- if the order marking changes from (A) sell to sell short, (B) sell to sell short exempt, (C) sell short to sell, (D) sell short to sell short exempt, (E) sell short exempt to sell, and (F) sell short exempt to sell short (proposed Rule 7.36(h)(2)(D)). This proposed rule text is consistent with proposed Rule 7.36(f)(4) because if an order retains its working time, the Exchange believes it should also retain its Setter Priority status.
- when transitioning from one trading session to another (proposed Rule 7.36(h)(2)(E)). This text would be new because, with Pillar, the Exchange would be introducing an Early Trading Session. The Exchange believes that if an order entered during the Early Trading Session is assigned Setter Priority, it should retain that status in the Core Trading Session.

Proposed Rule 7.36(h)(3) would establish when an order would lose Setter Priority, as follows:

- if trading in the security is halted, suspended, or paused (proposed Rule 7.36(h)(3)(A)). This proposed rule is based on the first sentence of current Rule 72(b)(iii), with non-substantive differences to use Pillar terminology.

In addition, because all orders expire at the end of the trading day, the Exchange believes that the current rule text providing that setting interest would not be retained after the close of trading on the Exchange would not be necessary for Pillar.

- if such order is assigned a new display price (proposed Rule 7.36(h)(3)(B)). The Exchange believes that if an order has Setter Priority at a price, and then is assigned a new display price, it should not retain the Setter Priority status that was associated with its original display price.
- if such order is less than a round lot and is assigned a new working time pursuant to proposed Rule 7.38(b)(2). As discussed above, pursuant to proposed Rule 7.38(b)(2) the resting odd-lot portion of an order would be assigned a new working time if the returned quantity of that order, together with the resting portion, would establish a new BBO. In such case, if the resting quantity had Setter Priority status, it would lose that status, and would be re-evaluated for Setter Priority at its new working time.

For example, if the Exchange receives an order for 200 shares ranked Priority 2 – Display Orders, routes 100 shares ("G") of such order, and the remaining 100 shares ("H") of such order are added to the Exchange Book and assigned Setter Priority, "H" would retain Setter Priority even if it is partially executed and the remaining portion of "H" is less than a round lot. If "G" returns unexecuted and "G" and "H" together would establish a new BBO at that price, pursuant to proposed Rule 7.38(b)(2), "H" would be assigned a new working time to join the working time of “G,” and “G” and “H” would be considered a single order. When “H” is assigned a new working time, it would lose its Setter Priority status. Even though “G” and “H” would establish the BBO, if that order does not also join or establish an NBBO, it would not be assigned Setter Priority. In this scenario, “H” would have lost its Setter Priority. The Exchange believes it is appropriate to re-evaluate such order for Setter Priority because it is being assigned a new working time together with the returned quantity of the order.

Proposed Rule 7.36(h)(4) would establish when Setter Priority is not available, as follows:

- for any portion of an order that is ranked Priority 3 – Non-Display Orders (proposed Rule 7.36(h)(4)(A)). This proposed rule text is based on the second sentence of Rule 72(a)(ii)(F), with non-substantive differences to use Pillar terminology.
- when the reserve quantity replenishes the display quantity of a Reserve Order (proposed Rule 7.36(h)(4)(B)). This proposed rule text would be new and would be a substantive difference, described above, as compared to the third sentence of Rule 72(a)(ii)(F).

Because proposed Rule 7.36 would address the display and working time of orders and Setter Priority, the Exchange proposes that Rules 72(a), (b), and (c)(xii) would not be applicable to trading UTP Securities on the Pillar trading platform.

Proposed Rule 7.37

Proposed Rule 7.37 (Order Execution and Routing) would establish rules governing order execution and routing on the Pillar trading platform. As described above, the Exchange proposes to retain its parity allocation model, which the Exchange would set forth in proposed Rule 7.37(b). Except for the addition of parity allocation, the Exchange proposes to use Pillar functionality for determining how orders would be executed and routed. Accordingly, the proposed rule is based in part on NYSE Arca Rule 7.37-E and NYSE American Rule 7.37E, with substantive differences as described below.

Proposed Rules 7.37(a), (c) – (g)

Proposed Rules 7.37(a) and paragraphs (c) – (d) would establish rules regarding order execution, routing, use of data feeds, locking or crossing quotations in NMS Stocks, and exceptions to the Order Protection Rule. The proposed rule text is based on NYSE Arca Rule 7.37-E(a) – (f) and NYSE American Rule 7.37E(a) – (f) with the following substantive differences:[23]

- Proposed Rule 7.37(a) would use the proposed new term "Aggressing Order" rather than the term "incoming marketable order" to refer to orders that would be matched for execution. In addition, because the Exchange would not use a price-time priority allocation for all orders, the Exchange proposes to specify that orders would be matched for execution as provided for in proposed Rule 7.37(b).

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[23] Because proposed Rule 7.37(b) would establish parity allocation, proposed Rule 7.37(c) – (g) would be based on NYSE Arca Rules 7.37-E(b) – (f) and NYSE American Rules 7.37E(b) – (f).

- As discussed below, the Exchange would not offer all order types that are available on NYSE Arca and NYSE American. Accordingly, proposed Rule 7.37(a)(4) would not include a reference to Inside Limit Orders.
- Similar to NYSE American, because the Exchange would not be taking in data feeds from broker-dealers or routing to Away Markets that are not displaying protected quotations, the Exchange proposes that proposed Rule 7.37 would not include rule text from paragraph (b)(3) of NYSE Arca Rule 7.37-E, which specifies that an ETP Holder can opt out of routing to Away Markets that are not displaying a protected quotation, i.e., broker dealers, or paragraph (d)(1) of NYSE Arca Rule 7.37-E, which specifies that NYSE Arca receives data feeds directly from broker dealers.
- As discussed in greater detail below, because the Exchange would not offer all orders available on NYSE Arca and NYSE American, including orders based on NYSE Arca Rule 7.31-E(f) that are orders with specific routing instructions, the Exchange proposes that proposed Rules 7.37(c)(5) and (c)(7)(B) would not include reference to orders that are designated to route to the primary listing market. Similarly, the Exchange would not include rule text based on NYSE Arca Rule 7.37-E(b)(7)(C) and NYSE American Rule 7.37E(b)(7)(C).
- The Exchange proposes a non-substantive difference to update the chart in proposed Rule 7.37(e) to reflect the amended names of market centers.

Proposed Rule 7.37(b) - Allocation

Proposed Rule 7.37(b) would set forth how an Aggressing Order would be allocated against contra-side orders and is based in part on current Rule 72(c). The Exchange proposes that its existing parity allocation model, modified as described below, would be applicable to UTP Securities. Like the Exchange's existing parity allocation model for NYSE-listed securities, the proposed parity allocation model for UTP Securities would provide customers with choices. The Exchange's parity allocation model provides customers that do not have latency sensitive strategies or who value intermediation by a trusted agent with an alternative to the price-time priority model offered by other exchanges: such customers can use a Floor broker and be allocated trades based on parity, as described below. Those customers with latency sensitive strategies or who prefer un-intermediated access can choose to send orders electronically and would be allocated trades as part of the Book Participant. Irrespective of whether the customer chooses to use a Floor broker or enter their interest electronically via the Book Participant, a customer assigned Setter Priority by setting the BBO would receive the first 15% of an allocation.

While there would be no DMMs assigned to UTP Securities, as noted above, the Exchange would require that for an order to be eligible to be included in the Floor Broker Participant, such order must be entered by a Floor broker while on the Trading Floor and only if such Floor broker also engages in a Floor broker business in Exchange-listed securities. In addition, to be eligible to be included in the Floor Broker Participant, orders must be entered on an agency basis (unless trading out of the Floor broker's error account pursuant to Rule 134). As a result, in contrast to off-Floor agency broker-dealers, Floor brokers would not be permitted to trade for their own accounts while on the Trading Floor, including principal trading on behalf of customers. The result of any allocation to an individual Floor broker would therefore always accrue to the customer. In addition, when trading UTP Securities, Floor brokers would continue to be subject to current rules that are applicable only to Floor brokers, including Rules 95, 122, 123, and paragraphs (d) – (j) of Rule 134.

The Exchange proposes to use Pillar terminology to describe allocations and proposes the following substantive differences to how allocations are processed under Rule 72(c):

- Mid-point Liquidity Orders ("MPL") with a Minimum Trade Size ("MTS"), which are not currently available on the Exchange, would be allocated based on MTS size (smallest to largest) and time.
- The Exchange would maintain separate allocation wheels on each side of the market for displayed and non-displayed orders at each price. Currently, the Exchange maintains a single allocation wheel for each security.[24]
- An allocation to a Floor Broker Participant would be allocated to orders represented by that Floor Broker on parity.
- If resting orders on one side of the Exchange Book are repriced such that they become marketable against orders on the other side of the Exchange Book, they would trade as Aggressing Orders based on their ranking pursuant to proposed Rule 7.36(c).
- If resting orders on both side of the Exchange Book are repriced such that they become marketable against each other, e.g., a crossed PBBO becomes

[24] See Rule 72(c)(viii)(A).

uncrossed and orders priced based on the PBBO are repriced, the Exchange would determine which order is the Aggressing Order based on its ranking pursuant to Rule 7.36(c).

- Because there would not be any DMMs assigned to UTP Securities, the proposed rule would not reference DMM allocations.

Proposed Rule 7.37(b)(1) would set forth that at each price, an Aggressing Order would be allocated against contra-side orders as follows:

- Proposed Rule 7.37(b)(1)(A) would provide that orders ranked Priority 1 – Market Orders would trade first based on time. This proposed rule is based on the first sentence of Rule 72(c)(i) with non-substantive differences to use Pillar terminology.
- Proposed Rule 7.37(b)(1)(B) would provide that next, an order with Setter Priority that has a display price and working price equal to the BBO would receive 15% of the remaining quantity of the Aggressing Order, rounded up to the next round lot size or the remaining displayed quantity of the order with Setter Priority, whichever is lower. The rule would further provide that an order with Setter Priority is eligible for allocation under proposed Rule 7.37(b)(1)(B) if the BBO is no longer the same as the NBBO. This proposed rule text is based on Rules 72(b)(ii) and 72(c)(iii) with non-substantive differences to use Pillar terminology. Although the Exchange is using different rule text, the quantity of an Aggressing Order that would be allocated to an order with Setter Priority would be the same under both current rules and the proposed Pillar rule.

- Proposed Rule 7.37(b)(1)(C) would provide that next, orders ranked Priority 2 – Displayed Orders would be allocated on parity by Participant and that any remaining quantity of an order with Setter Priority would be eligible to participate in this parity allocation, consistent with the allocation wheel position of the Participant that entered the order with Setter Priority. This proposed rule text is based on Rules 72(c)(i), (iv), (vi), and (ix) with non-substantive differences to use Pillar terminology.
- Proposed Rule 7.37(b)(1)(D) would provide that next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS, would be allocated on parity by Participant. This proposed rule text is based on Rules 72(c)(i), (iv), (vi), and (ix) with non-substantive differences to use Pillar terminology and a substantive difference not to include MPL Orders with an MTS in the parity allocation of resting non-displayed orders.
- Proposed Rule 7.37(b)(1)(E) would provide that MPL Orders with an MTS would be allocated based on MTS size (smallest to largest) and time. Because MPL Orders with an MTS would be a new offering on the Exchange, this proposed rule text is new. With an MTS instruction, an member organization is instructing the Exchange that it does not want an execution of its order if the MTS cannot be met. Accordingly, an MPL Order with an MTS is willing to be skipped if such instruction cannot be met. The Exchange proposes to separate MPL Orders with an MTS from the parity allocation of Priority 3 – Non-Display Orders because with a

parity allocation, an MTS instruction would not be guaranteed. In order to honor the MTS instruction of the resting MPL Order, the Exchange proposes to allocate these orders after all other Priority 3 – Non-Display Orders have been allocated on parity. The Exchange believes that this proposed allocation priority would be consistent with the MTS instruction in that such orders are willing to be skipped in order to have the MTS met.

Proposed Rule 7.37(b)(2) would establish the allocation wheel for parity allocations. The proposed rule would be new for Pillar and would establish that at each price on each side of the market, the Exchange would maintain an "allocation wheel" of Participants with orders ranked Priority 2 – Display Orders and a separate allocation wheel of Participants with orders ranked Priority 3 – Non-Display Orders. The rule further describes how the position of an order on an allocation wheel would be determined, as follows:

- Proposed Rule 7.37(b)(2)(A) would provide that the Participant that enters the first order in a priority category at a price would establish the first position on the applicable allocation wheel for that price. The rule would further provide that if an allocation wheel no longer has any orders at a price, the next Participant to enter an order at that price would establish a new allocation wheel. This proposed rule is based in part on the first sentence of Rule 72(c)(viii)(A), with both non-substantive differences to use Pillar terminology and substantive differences because the Exchange would maintain separate allocation wheels at each price point, rather than a single allocation wheel for a security. Accordingly, an allocation wheel at a price point could be re-established throughout the trading day.

- Proposed Rule 7.37(b)(2)(B) would provide that additional Participants would be added to an allocation wheel based on time of entry of the first order entered by a Participant. This proposed rule is based in part on the second sentence of Rule 72(c)(viii)(A) with non-substantive differences to use Pillar terminology.
- Proposed Rule 7.37(b)(2)(C) would provide that once a Participant has established a position on an allocation wheel at a price, any additional orders from that Participant at the same price would join that position on an allocation wheel. This proposed rule uses Pillar terminology to describe current functionality.
- Proposed Rule 7.37(b)(2)(D) would provide that if an order receives a new working time or is cancelled and replaced at the same working price, a Participant that entered such order would be moved to the last position on an allocation wheel if, that Participant has no other orders at that price. This proposed rule is based in part on the last sentence of Rule 72(c)(viii)(A) with non-substantive differences to use Pillar terminology.
- Proposed Rule 7.37(b)(2)(E) would provide that a Participant would be removed from an allocation wheel if (i) all orders from that Participant at that price are executed or cancelled in full, (ii) the working price of an order changes and that Participant has no other orders at that price, or (iii) the priority category of the order changes and that Participant has no other orders at that price. This proposed rule would be new functionality

associated with the substantive difference of having separate allocation wheels at each price point.

- Proposed Rule 7.37(b)(2)(F) would provide that if multiple orders are assigned new working prices at the same time, the Participants representing those orders would be added to an allocation wheel at the new working price in time sequence relative to one another. This proposed rule would be new functionality associated with the substantive difference of having separate allocation wheels at each price point.

Proposed Rule 7.37(b)(3) would set forth the parity pointer associated with the allocation wheel. As proposed, if there is more than one Participant on an allocation wheel, the Exchange would maintain a "pointer" that would identify which Participant would be next to be evaluated for a parity allocation and that the Participant with the pointer would be considered the first position. This proposed rule is based in part on the Parity Example 1 described in Rule 72(c)(viii)(A) and Rule 72(c)(viii)(B), with non-substantive differences to use Pillar terminology. The rule would further provide that the Setter Priority allocation described in proposed Rule 7.37(b)(1)(B) would not move the pointer, which is based on the second sentence of Rule 72(c)(iv) with non-substantive differences to use Pillar terminology.

Proposed Rule 7.37(b)(4) would set forth how an Aggressing Order would be allocated on parity. As proposed, an Aggressing Order would be allocated by round lots. The Participant with the pointer would be allocated a round lot and then the pointer would advance to the next Participant. The pointer would continue to advance on an allocation wheel until the Aggressing Order is fully allocated or all Participants in that priority category are exhausted. This proposed rule is based on Rule 72(c)(viii), sub-paragraphs (A) – (C) of that Rule, and Parity Examples 1 through 4, with non-substantive differences to use Pillar terminology. Rather than include examples in the proposed rule, the Exchange believes that the Pillar terminology streamlines the description of parity allocations in a manner that obviates the need for examples, as follows:

- Proposed Rule 7.37(b)(4)(A) would provide that not all Participants on an allocation wheel would be guaranteed to receive an allocation. The size of an allocation to a Participant would be based on which Participant had the pointer at the beginning of the allocation, the size of the Aggressing Order, the number of Participants in the allocation, and the size of the orders entered by Participants. The Exchange believes that this proposed rule makes clear that while the parity allocation seeks to evenly allocate an Aggressing Order, an even allocation may not be feasible and would be dependent on multiple variables.

  For example, if there are three Participants on an allocation wheel, “A,” “B,” and “C,” each representing 200 shares and “A” has the pointer, an Aggressing Order of 450 shares would be allocated as follows: “A” would be allocated 100 shares, “B” would be allocated 100 shares, “C” would be allocated 100 shares, “A” would be allocated 100 shares, and “B” would be allocated 50 shares. In this example, an uneven allocation would result because the Aggressing Order cannot be evenly divided by round lots among the Participants and the allocation sizes would be dependent on which Participant has the pointer at the beginning of the allocation.

Accordingly, “A” would be allocated a total of 200 shares, “B” would be allocated a total of 150 shares, and “C” would be allocated a total of 100 shares.

- Proposed Rule 7.37(b)(4)(B) would provide that if the last Participant to receive an allocation is allocated an odd lot, the pointer would stay with that Participant. The Exchange proposes that the pointer would advance only after a round-lot allocation. If the last allocation is an odd-lot, the pointer would stay with that Participant. For example, continuing with the example above where “B” received an allocation of 150 shares because the last allocation was 50 shares, the pointer would remain with “B” for the next allocation at that price. By contrast, if the last Participant receives a round-lot allocation of an Aggressing Order, the pointer would advance to the next Participant for the next allocation at that price.
- Proposed Rule 7.37(b)(4)(C) would provide that if the Aggressing Order is an odd lot, the Participant with the pointer would be allocated the full quantity of the order, unless that Participant does not have an order that could satisfy the Aggressing Order in full, in which case, the pointer would move to the next Participant on an allocation wheel. This proposed rule uses Pillar terminology to describe how an odd-lot sized Aggressing Order would be allocated.
- Proposed Rule 7.37(b)(4)(D) would provide that a Participant that has an order or orders equaling less than a round lot would be eligible for a parity allocation up to the size of the order(s) represented by that Participant.

This proposed rule is based in part on Rule 72(c)(viii)(B) with non-substantive differences to use Pillar terminology.

Proposed Rule 7.37(b)(5) would provide that an allocation to the Book Participant would be allocated to orders that comprise the Book Participant by working time. This proposed rule is based on the second sentence of Rule 72(c)(ii) with non-substantive differences to use Pillar terminology.

Proposed Rule 7.37(b)(6) would provide that an allocation to a Floor Broker Participant, which would be defined as a "Floor Broker Allocation," would be allocated to orders with unique working times that comprise the Floor Broker Participant, which would be defined as "Floor Broker Orders," on parity. In other words, any allocation to an individual Floor Broker Participant at a price would be further allocated among multiple orders that may be represented by that Floor broker. The proposed reference to "unique working times" would refer to orders that have multiple working times. For example, pursuant to proposed Rule 7.31(d)(1)(B), each time a Reserve Order is replenished from reserve interest, a new working time would be assigned to the replenished quantity of the Reserve Order, while the reserve interest would retain the working time of original order entry. As a result, the display quantity of a Reserve Order may be represented by multiple orders with unique working times representing each replenishment. For purposes of the Floor Broker Allocation, each quantity with a unique working time would be considered a separate order.

As further proposed, the parity allocation within a Floor Broker Allocation would be processed as described in proposed Rule 7.37(b)(2) – (4) with the Floor Broker Allocation processed as the "Aggressing Order" and each Floor Broker Order processed as a “Participant.” Because a Floor Broker Participant may represent multiple orders, the Exchange believes that allocating the Floor Broker Allocation on parity would be consistent with the Exchange’s allocation model, which provides for a parity allocation to Floor brokers. For example, if an Aggressing Order is allocated 200 shares to Floor Broker Participant “X,” which would be the Floor Broker Allocation, and “X” represents three Floor Broker Orders, “A,” “B,” and “C” for 100 shares each at a price and the parity pointer is on “B,” pursuant to proposed Rule 7.37(b)(6), the Floor Broker Allocation would be allocated 100 shares to “B” and 100 shares to “C” and “A” would not receive an allocation.

Proposed Rule 7.37(b)(8) would provide that if resting orders on one side of the market are repriced and become marketable against contra-side orders on the Exchange Book, the Exchange would rank the re-priced orders as described in proposed Rule 7.36(c) and trade them as Aggressing Orders consistent with their ranking.[25] This proposed functionality would be new for Pillar.

Proposed Rule 7.37(b)(9) would provide that if resting orders on both sides of the market are repriced and become marketable against one another, the Exchange would rank the orders on each side of the market as described in Rule 7.36(c) and trade them as follows:

- The best-ranked order would establish the price at which the marketable orders will trade, provided that if the marketable orders include MPL orders, orders would trade at the midpoint of the PBBO (proposed Rule 7.37(b)(9)(A)).

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[25] The Exchange proposes to designated proposed Rule 7.37(b)(7) as “Reserved.”

- The next best-ranked order would trade as the Aggressing Order with contra-side orders at that price pursuant to proposed Rule 7.37(b)(1) (proposed Rule 7.37(b)(9)(B)).
- When an Aggressing Order is fully executed, the next-best ranked order would trade as the Aggressing Order with contra-side orders at that price pursuant to proposed Rule 7.37(b)(1) (proposed Rule 7.37(b)(9)(C)).
- Orders on both sides of the market would continue to trade as the Aggressing Order until all marketable orders are executed (proposed Rule 7.37(b)(9)(D)).

Because proposed Rule 7.37 would address order execution and routing, including parity allocations, locking and crossing, and the Order Protection Rule, the Exchange proposes that Rules 15A, 19, 72(c), 1000, 1001, 1002, and 1004 would not be applicable to trading UTP Securities on the Pillar trading platform.[26]

Proposed Rule 7.31

Proposed Rule 7.31 (Orders and Modifiers) would establish the orders and modifiers that would be available on the Exchange for trading UTP Securities on the Pillar trading platform. The Exchange proposes to offer a subset of the orders and modifiers that are available on NYSE Arca and NYSE American, with specified substantive differences, as described below.

- Proposed Rule 7.31(a) would establish the Exchange's proposed Primary Order Types. The Exchange would offer Market Orders, which would be

26 Rule 72(d) would also not be applicable to trading UTP Securities on the Pillar trading platform, accordingly the Exchange would designate the entirety of Rule 72 as not applicable to trading UTP Securities on the Pillar trading platform.

described in proposed Rule 7.31(a)(1), and Limit Orders, which would be described in proposed Rule 7.31(a)(2). These proposed rules are based on NYSE Arca Rule 7.31-E(a)(1) and (2) with one substantive difference. Because the Exchange would not be conducting auctions for UTP Securities and because, as described below, with the exception of Primary Pegged Orders, Limit Orders entered before the Core Trading Session would be deemed designated for both the Early Trading Session and the Core Trading Session, the Exchange proposes not to include the following text in proposed Rule 7.31(a)(2)(B): "A Limit Order entered before the Core Trading Session that is designated for the Core Trading Session only will become subject to Limit Order Price Protection after the Core Open Auction." Instead, the Exchange proposes to provide that a Limit Order entered before the Core Trading Session that becomes eligible to trade in the Core Trading Session would become subject to the Limit Order Price Protection when the Core Trading Session begins. Accordingly, Primary Pegged Orders entered before the Core Trading Session begins would not be subject to Limit Order Price Protection until the Core Trading Session begins.

- Proposed Rule 7.31(b) would establish the proposed time-in-force modifiers available for UTP Securities on the Pillar trading platform. The Exchange would offer both Day and Immediate-or-Cancel ("IOC") time-in-force modifiers. The rule text is based on NYSE American Rule 7.31E(b) without any substantive differences.

- Proposed Rule 7.31(c) would establish the Exchange's Auction-Only Orders. Because the Exchange would not be conducting auctions in UTP Securities, the Exchange would route all Auction-Only Orders in UTP Securities to the primary listing market, as described in greater detail below in proposed Rule 7.34. To reflect this functionality, proposed Rule 7.31(c) would provide that an Auction-Only Order is a Limit or Market Order that is only to be routed pursuant to Rule 7.34. Proposed Rules 7.31(c)(1) – (4) would define Limit-on-Open Orders ("LOO Order"), Market-on-Open Order ("MOO Order"), Limit-on-Close Order ("LOC Order"), and Market-on-Close ("MOC Order"). The proposed rule text is based on NYSE Arca Rule 7.31-E(c)(1) – (4) and NYSE American Rule 7.31E(c)(1) – (4), with the substantive difference not to include rule text relating to how Auction-Only Orders would function during a Trading Halt Auction, as the Exchange would not be conducting any auctions in UTP Securities. Because the Exchange would not have defined terms for auctions in the Pillar rules, the Exchange proposes an additional non-substantive difference to use the term "an opening or re-opening auction" instead of "the Core Open Auction or a Trading Halt Auction" and the term "a closing auction" instead of "the Closing Auction."
- Proposed Rule 7.31(d) would describe orders with a conditional or undisplayed price and/or size. Proposed Rule 7.31(d) is based on NYSE Arca Rule 7.31-E(d) and NYSE American Rule 7.31E(d) without any differences.

- Proposed Rule 7.31(d)(1) would establish Reserve Orders, which would be a Limit Order with a quantity of the size displayed and with a reserve quantity (“reserve interest”) that is not displayed. Proposed Rule 7.31(d)(1) and subparagraphs (A) – (C) to that rule are based on NYSE Arca Rule 7.31-E(d)(1) and its sub-paragraphs (A) – (C) without any substantive differences. As described below, the Exchange proposes to describe Limit Orders that do not route as a “Limit Non-Routable Order.”
- Proposed Rule 7.31(d)(2) would establish Limit Non-Displayed Orders, which would be a Limit Order that is not displayed and does not route. This proposed rule is based on NYSE Arca Rule 7.31-E(d)(2), with one substantive difference: the Exchange would not be offering the ability for a Limit Non-Displayed Order to be designated with a Non-Display Remove Modifier and therefore would not be proposing rule text based on NYSE Arca Rule 7.31-E(d)(2)(B).
- Proposed Rule 7.31(d)(3) would establish MPL Orders, which would be a Limit Order that is not displayed and does not route, with a working price at the midpoint of the PBBO. Proposed Rule 7.31(d)(3) is based on NYSE Arca Rule 7.31-E(d)(3) and NYSE American Rule 7.31E(d)(3) with one substantive difference: because the Exchange would not be conducting auctions in UTP Securities, the Exchange does not propose to include rule text that MPL Orders do not participate in any auctions.

  Proposed Rules 7.31(d)(3)(A) – (F), which further describe MPL Orders, are based on NYSE Arca Rule 7.31-E(d)(3)(A) – (F) with two substantive differences. First, the Exchange would not offer the optional functionality for an incoming Limit Order to be designated with a "No Midpoint Execution" modifier. Second, the Exchange would not offer for MPL Orders to be designated with a Non-Display Remove Modifier. Because the Exchange would not offer the Non-Display Remove Modifier for MPL Orders, the Exchange is not proposing rule text based on NYSE Arca Rule 7.31-E(d)(3)(G).Proposed Rule 7.31(e) would establish orders with instructions not to route and is based on NYSE Arca Rule 7.31-E(e) and NYSE American Rule 7.31E(e) without any differences.[27]

- Proposed Rule 7.31(e)(1) would establish the Limit Non-Routable Order, which is a Limit Order that does not route. Proposed Rule 7.31(e)(1) and its sub-paragraphs (A) – (B) is based on NYSE Arca Rule 7.31-E(e)(1) and its sub-paragraphs (A) – (B) and NYSE American Rule 7.31E(1) and its sub-paragraphs (A) - (B) without any substantive differences. Because the Exchange would not offer Non-Display Remove Modifiers for Limit Non-Routable Orders, the Exchange is not proposing rule text based on NYSE Arca Rule 7.31-E(e)(1)(C).
- Proposed Rule 7.31(e)(2) and sub-paragraphs (B) – (D) would establish the ALO Order, which is a Limit Non-Routable Order that, except as specified in the proposed rule, would not remove liquidity from the Exchange Book. The proposed rule is based on NYSE Arca Rule 7.31-E(e)(2) and its sub-paragraphs (B) – (D) with two substantive differences.

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27 Proposed Rule 7.31 includes behavior relating to MPL Orders that were recently adopted on NYSE Arca and NYSE American. See supra note 19.

First, because the Exchange would not have auctions in UTP Securities, the Exchange does not propose rule text based on NYSE Arca Rule 7.31-E(e)(2)(A), and would designate this sub-paragraph as "Reserved." Second, because the Exchange would not offer the Non-Display Remove Modifier for Limit Non-Routable Orders or Limit Non-Display Orders, the Exchange does not propose rule text based on NYSE Arca Rule 7.31-E(e)(2)(B)(iv)(b).

- Proposed Rule 7.31(e)(3) and sub-paragraphs (A) – (D) would establish Intermarket Sweep Orders ("ISO"), which would be a Limit Order that does not route and meets the requirements of Rule 600(b)(3) of Regulation NMS and could be designated IOC or Day. The proposed rule is based on NYSE Arca Rule 7.31-E(e)(3) and its sub-paragraphs (A) – (D) and its sub-paragraphs (A) – (D) with two substantive differences. First, because Exchange Floor brokers do not have the ability to enter orders directly on Away Markets, the Exchange does not currently offer the ability for Floor brokers to enter ISOs.[28] The Exchange similarly proposes that Floor brokers would not be able to enter ISOs for trading UTP Securities on the Pillar trading platform and therefore would specify that ISOs are not available to Floor brokers. Second, because Non-Display Remove Modifiers would not be available, the Exchange is not proposing rule text based on NYSE Arca Rule 7.31-E(e)(3)(D)(iii)(b).
- Because the Exchange would not offer Primary Only Orders or Cross

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28 See Rule 70(a)(i).

Orders, the Exchange proposes that Rules 7.31(f) and (g) would be designated as "Reserved."

- Proposed Rule 7.31(h) would establish Pegged Orders, which would be a Limit Order that does not route with a working price that is pegged to a dynamic reference price. Proposed Rule 7.31(h) is based on NYSE Arca Rule 7.31-E(h) with one substantive difference. Consistent with the Exchange's current rules, Pegged Orders would be available only to Floor brokers.[29]

  Proposed Rule 7.31(h)(2) and sub-paragraphs (A) and (B) would establish Primary Pegged Orders, which would be a Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), must include a minimum of one round lot of displayed, and with no offset allowed. This proposed rule text is based on NYSE Arca Rule 7.31-E(h)(2) and sub-paragraphs (A) and (B) with one substantive difference. Because the Exchange would not conduct auctions in UTP Securities, the Exchange does not propose to include rule text that a Primary Pegged Order would be eligible to participate in auctions at the limit price of the order.

  Proposed Rule 7.31(h)(4) and sub-paragraphs (A) and (B) would establish a Non-Displayed Primary Pegged Order, which would be a Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), with no offset allowed, that is not displayed. This rule text is based on NYSE American Rule 7.31E(h)(2), which describes a Primary Pegged Order that

29 See Rule 13(f)(1)(A)(i), which describes Pegging Interest as being available for e-Quotes and d-Quotes, which is functionality available only to Floor brokers.

is not displayed. Similar to the rules of NYSE American, the proposed Non-Displayed Primary Pegged Order would be rejected on arrival, or cancelled when resting, if there is no PBBO against which to peg. In addition, Non-Displayed Primary Pegged Orders would be ranked Priority 3 – Non-Display Orders and if the PBBO is locked or crossed, both an arriving and resting Non-Displayd Primary Pegged Order would wait for a PBBO that is not locked or crossed before the working price is adjusted and the order becomes eligible to trade.

Because the Exchange would not offer Market Pegged Order or Discretionary Pegged Orders, the Exchange proposes that paragraphs (h)(1) and (h)(3) of proposed Rule 7.31 would be designated as "Reserved."

- Proposed Rule 7.31(i)(2) would establish Self Trade Prevention Modifiers ("STP") on the Exchange. As proposed, any incoming order to buy (sell) designated with an STP modifier would be prevented from trading with a resting order to sell (buy) also designated with an STP modifier and from the same Client ID, as designated by the member organization, and the STP modifier on the incoming order would control the interaction between two orders marked with STP modifiers. Proposed Rule 7.31(i)(2)(A) would establish STP Cancel Newest ("STPN") and proposed Rule 7.31(i)(2)(B) would establish STP Cancel Oldest ("STPO"). Proposed Rule 7.31(i)(2) and subparagraphs (A) and (B) are based in part on NYSE Arca Rule 7.31-E(i)(2) and its sub-paragraphs (A) and (B) and NYSE

American Rule 7.31E(i)(2) and its sub-paragraphs (A) and (B), with substantive differences to specify how STP modifiers would function consistent with the Exchange's proposed allocation model.

Specifically, because, as described above, resting orders are allocated either on parity or time based on the priority category of an order, the Exchange proposes to specify in proposed Rule 7.31(i)(2) that the Exchange would evaluate the interaction between two orders marked with STP modifiers from the same Client ID consistent with the allocation logic applicable to the priority category of the resting order. The proposed rule would further provide that if resting orders in a priority category do not have an STP modifier from the same Client ID, the incoming order designated with an STP modifier would trade with resting orders in that priority category before being evaluated for STP with resting orders in the next priority category.

For STPN, proposed Rule 7.31(i)(2)(A)(i) would provide that if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the incoming order marked with the STPN modifier would be cancelled back to the originating member organization and the resting order marked with one of the STP modifiers would remain on the Exchange Book. This proposed rule is based on NYSE Arca Rule 7.31-E(i)(2)(A) and NYSE American Rule 7.31E(i)(2)(A), with non-substantive differences to specify that this order processing would be applicable for orders that are allocated in price-time priority.

Proposed Rule 7.31(i)(2)(A)(ii) would be new and would address how STPN would function for resting orders in a priority category that allocates orders on parity. As proposed, if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity and would have been considered for an allocation, none of the resting orders eligible for a parity allocation in that priority category would receive an allocation and the incoming order marked with the STPN modifier would be cancelled back.[30] The Exchange believes that if a member organization designates an order with an STPN modifier, that member organization has instructed the Exchange to cancel the incoming order rather than trade with a resting order with an STP modifier from the same Client ID. Because in a parity allocation, resting orders are allocated based on their position on an allocation wheel, as described above, it would be consistent with the incoming order's instruction to cancel the incoming order if any of the resting orders eligible to participate in the parity allocation has an STP modifier from the same Client ID.

For STPO, proposed Rule 7.31(i)(2)(B)(i) would provide that if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the resting order marked with the STP modifier would be cancelled back to the originating

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30 As described above, if there were resting Market Orders against which the incoming order was marketable, because Market Orders are in a different priority category, the incoming order would trade with the resting Market Orders before being assessed for STP with resting orders in a parity priority category.

member organization and the incoming order marked with the STPO modifier would remain on the Exchange Book. This proposed rule is based on NYSE Arca Rule 7.31-E(i)(2)(B) and NYSE American Rule 7.31E(i)(2)(B), with non-substantive differences to specify that this order processing would be applicable for orders that are allocated in price-time priority.

Proposed Rule 7.31(i)(2)(B)(ii) would be new and would address how STPO would function for resting orders in a priority category that allocates orders on parity. As proposed, if a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity, all resting orders with the STP modifier with the same Client ID in that priority category that would have been considered for an allocation would not be eligible for a parity allocation and would be cancelled. The rule would further provide that an incoming order marked with the STPO modifier would be eligible to trade on parity with orders in that priority category that do not have a matching STP modifier and that resting orders in that priority category with an STP modifier from the same Client ID that would not have been eligible for a parity allocation would remain on the Exchange Book. The Exchange believes that this proposed processing of STPO would allow for the incoming order to continue to trade with resting orders that do not have an STP modifier from the same client ID, while at the same time processing the instruction that resting orders with an STP from the same Client ID would be cancelled if there were a potential for an execution between the two orders.

- Proposed Rule 7.31(i)(3) would describe the Minimum Trade Size ("MTS") Modifier, which is based in part on NYSE Arca Rule 7.31-E(i)(3).[31] The Exchange proposes a substantive difference in that the MTS Modifier would be available only for Limit IOC and MPL Orders. Subject to this difference, proposed Rule 7.31(i)(3)(A) – (E) and (G) is based on NYSE Arca Rule 7.31-E(i)(3)(A) – (F).

  The Exchange proposes an additional substantive difference to address how a resting order with an MTS that becomes an Aggressing Order would trade under the parity allocation model. As described in proposed Rule 7.31(i)(3)(B), on arrival, an order to buy (sell) with an MTS Modifier would trade with sell (buy) orders in the Exchange Book that in the aggregate meet such order's MTS. In other words, the MTS of an Aggressing Order on arrival can be met by one or more resting orders. Because more than one resting order can trade with an arriving order with an MTS, such allocation can be made consistent with the Exchange's parity allocation model without any changes.[32]

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31 See supra note 19.

32 For example, if the midpoint of the PBBO is 10.00 and at 10.00, the Exchange has a sell order "A" ranked Priority 3 – Non-Displayed for 100 shares from the Book Participant and a sell order "B" ranked Priority 3- Non-Displayed for 100 shares from the Floor Broker Participant, if the Exchange receives a buy MPL Order with a limit price of 10.00 and an MTS of 200 shares, the MTS could be met by the resting orders in the aggregate, and the arriving buy order would trade with both "A" and "B."

By contrast, proposed Rule 7.31(i)(3)(E) would provide that a resting order to buy (sell) with an MTS Modifier that becomes an Aggressing Order would trade with individual sell (buy) orders that each meet the MTS. Because a resting order that becomes an Aggressing Order, which could only be an MPL Order, would need to be able to trade with individual contra-side orders that each meet the MTS, the Exchange proposes to address how such requirement would operate with the Exchange's proposed allocation model. Specifically, proposed Rule 7.31(i)(3)(F)(i) would provide that when such Aggressing Order is trading with sell (buy) orders in a priority category that allocates orders on price-time priority, if a sell (buy) order does not meet the MTS, the MPL Order with the MTS Modifier would not trade and would be ranked on the Exchange Book. Accordingly, for orders that trade in a price-time priority category, the MPL Order with an MTS Modifier would stop trading if a contra-side order does not meet the MTS. This proposal is consistent with how a resting order that becomes an Aggressing Order would trade on NYSE Arca, which has a price-time priority allocation model.

Proposed Rule 7.31(i)(3)(F)(ii) would set forth how a resting MPL Order to buy (sell) with an MTS that becomes an Aggressing Order would trade with sell (buy) orders in a priority category that allocates orders on parity. Because in a parity allocation model, more than one resting order may participate in an allocation, the Exchange proposes that a resting order to buy (sell) with an MTS that becomes an Aggressing Order would not trade with any contra-side orders if at least one sell (buy) order that would have been considered for allocation does not meet the MTS. As proposed, in such case, the resting order with the MTS Modifier would be ranked on the Exchange Book.[33] The Exchange believes that if a member organization designates an MPL Order with an MTS Modifier, that member organization has instructed the Exchange not to trade that order with contra-side orders that are smaller in size than the MTS. Because in a parity allocation, resting orders are allocated based on their position on an allocation wheel, as described above, it would be consistent with the incoming order's instruction not to trade at all rather than to trade with even one order in the parity allocation that that does not meet the MTS.

- Proposed Commentary .01 and .02 to Rule 7.31 is based on Commentary .01 and .02 to NYSE Arca Rule 7.31-E without any substantive differences.

Because proposed Rule 7.31 would govern orders and modifiers, including orders entered by Floor brokers, the Exchange proposes that Rules 13 (Orders and Modifiers) and 70 (Execution of Floor broker interest) would not be applicable to trading UTP Securities on the Pillar trading platform. In addition, references to Trading Collars in

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33 For example, the midpoint of the PBBO is 10.01 and at 10.00, the Exchange has a sell order "A" ranked Priority 3 – Non-Displayed for 100 shares from the Book Participant and a sell order "B" ranked Priority 3- Non-Displayed for 200 shares from the Floor Broker Participant and a buy MPL Order with a limit price of 10.00 and an MTS of 200 shares. If the midpoint changes to 10.00, the resting buy MPL Order would become an Aggressing Order. In this scenario, both "A" and "B" would be eligible for an allocation, but because "A" cannot individually meet the MTS of the buy MPL Order, the MPL Order would not trade with either "A" or "B" and the buy MPL Order would be ranked on the Exchange Book as provided for in proposed Rule 7.31(i)(3)(F)(ii).

Rule 1000(c) would not be applicable to trading UTP Securities on the Pillar Trading platform.[34]

Proposed Rule 7.10

Proposed Rule 7.10 (Clearly Erroneous Executions) would set forth the Exchange's rules governing clearly erroneous executions. The proposed rule is based on NYSE Arca Rule 7.10-E and NYSE American Rule 7.10E with substantive differences not to refer to a Late Trading Session or Cross Orders. The Exchange proposes rule text based on NYSE Arca rather than current Rule 128 (Clearly Erroneous Executions) because the NYSE Arca and NYSE American version of the rule uses the same terminology that the Exchange is proposing for the Pillar trading platform, e.g., references to Early and Core Trading Sessions. Accordingly, the Exchange proposes that Rule 128 (Clearly Erroneous Executions) would not be applicable to trading UTP Securities on the Pillar trading platform.[35] Because the Exchange would not be conducting auctions in UTP Securities, proposed Rule 7.10(a) would not include the last sentence of NYSE Arca Rule 7.10-E(a), which provides that "[e]xecutions as a result of a Trading Halt Auction are not eligible for a request to review as clearly erroneous under paragraph (b) of this Rule."

Proposed Rule 7.11

Proposed Rule 7.11 (Limit Up – Limit Down Plan and Trading Pauses in

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34 As described in greater detail above in connection with proposed Rule 7.37, the Exchange proposes that the entirety of Rule 1000 would not be applicable to trading UTP Securities on the Pillar trading platform.

35 The Exchange proposes that because there is not a prior version of proposed Rule 7.10, if the Limit Up-Limit Down Plan is not approved, the prior version of sections (c), (e)(2), (f) and (g) of Rule 128 would be in effect.

Individual Securities Due to Extraordinary Market Volatility) would establish how the Exchange would comply with the Regulation NMS Plan to Address Extraordinary Market Volatility ("LULD Plan").[36] The proposed rule is based on NYSE American Rule 7.11E with the following substantive differences. First, as proposed, the Exchange would not offer the optional functionality for a member organization to instruct the Exchange to cancel a Limit Order that cannot be traded or routed at prices at or within the Price bands, rather than the default processing of re-pricing a Limit Order to the Price Bands, as described in proposed Rule 7.11(a)(5)(B)(i).[37] Accordingly, the Exchange would not include text relating to this instruction, as described in NYSE American Rules 7.11E(a)(5)(B)(i), 7.11E(a)(5)(C), or 7.11E(a)(5)(F). Second, because the Exchange would not be offering orders that include specific routing instructions, Q Orders, or Limit IOC Cross Orders, the Exchange would not include text that references these order types, as described in NYSE American Rule 7.11E(a)(5)(B)(iii), 7.11E(a)(5)(D), 7.11E(a)(5)(E), and 7.11E(a)(6). The Exchange proposes to designate proposed Rules 7.11(a)(5)(D) and 7.11(a)(5)(E) as "Reserved."

Finally, because proposed Rule 7.11 would govern trading in UTP Securities and the Exchange would not conduct auctions for such securities, the Exchange does not propose rule text from NYSE American Rule 7.11E(b) that describes how the Exchange would re-open trading in a security. The Exchange proposes that Rule 7.11(b)(1) would be based on rule text from NYSE American Rule 7.11E(b)(1).

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[36] See Securities Exchange Act Release No. 80455 (April 13, 2017), 81 FR 24908 (April 27, 2016) (File No. 4-631) (Order approving 12th Amendment to the LULD Plan).

[37] The Exchange will offer this optional functionality when it implements Pillar phase II communication protocols.

Because the proposed rule covers the same subject matter as Rule 80C, the Exchange proposes that Rule 80C would not be applicable to trading UTP Securities on the Pillar trading platform.

Proposed Rule 7.16

Proposed Rule 7.16 (Short Sales) would establish requirements relating to short sales. The proposed rule is based on NYSE Arca Rule 7.16-E and NYSE American Rule 7.16E with two substantive differences. First, because the proposed rule would not be applicable to any securities that are listed on the Exchange, the Exchange would not be evaluating whether the short sale price test restrictions of Rule 201 of Regulation SHO have been triggered. Accordingly, the Exchange does not propose rule text based on NYSE Arca Rule 7.16-E(f)(3) or NYSE American Rule 7.16E(f)(3) and would designate that sub-paragraph as "Reserved." For similar reasons, the Exchange proposes not to include rule text based on NYSE Arca Rules 7.16-E(f)(4)(A) and (B) or NYSE American Rule 7.16E(f)(4)(A) and (B).

Second, because the Exchange would not be offering Tracking Orders, Cross Orders, or the Proactive if Locked/Crossed Modifier, the Exchange does not propose rule text based on NYSE Arca Rule 7.16-E(f)(5)(D), (G), or (I) or NYSE American Rule 7.16E(f)(5)(D), (G), or (I). The Exchange proposes to designate proposed Rules 7.16(f)(5)(D) and (G) as "Reserved."

Because the proposed rule covers the same subject matter as Rule 440B (Short Sales), the Exchange proposes that Rule 440B would not be applicable to trading UTP Securities on the Pillar trading platform.

Proposed Rule 7.18

The Exchange proposes to amend Rule 7.18 (Halts) to establish how the Exchange would process orders during a halt in a UTP Security and when it would halt trading in a UTP Exchange Traded Product.[38] Proposed Rule 7.18(b) would provide that the Exchange would not conduct a Trading Halt Auction in a UTP Security and would process new and existing orders in a UTP Security during a UTP Regulatory Halt[39] as described in proposed Rule 7.18(b)(1) – (6). The proposed rule text is based on NYSE Arca Rule 7.18-E(b) and its sub-paragraphs (1) – (6) and NYSE American Rule 7.18E(b) and its sub-paragraphs (1) – (6) with one substantive difference. Because the Exchange would not be offering "Primary Only" orders, proposed Rule 7.18(b)(5) would not reference such order types.

The Exchange proposes to amend Rule 7.18(d)(1)(A) to specify that if a UTP Exchange Traded Product begins trading on the Exchange in the Early Trading Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value ("IIV") or the value of the underlying index, as applicable, to such UTP Exchange Traded Product, by a major market data vendor, the Exchange may continue to trade the UTP Exchange Traded Product for the

38 The term "UTP Exchange Traded Product" is defined in Rule 1.1(bbb) to mean an Exchange Traded Product that trades on the Exchange pursuant to unlisted trading privileges. The terms "Exchange Traded Product" and "UTP Exchange Traded Product" on the Exchange have the same meaning as the NYSE Arca terms "Derivatives Securities Product" and "UTP Derivative Securities Product," which are defined in NYSE Arca Rule 1.1(k). The Exchange proposes a non-substantive difference in proposed Rule 7.18 as compared to NYSE Arca Rule 7.18-E to use the Exchange-defined terms.

39 The term "UTP Regulatory Halt" is defined in Rule 1.1(kk) to mean a trade suspension, halt, or pause called by the UTP Listing Market in a UTP Security that requires all market centers to halt trading in that security.

remainder of the Early Trading Session. This proposed rule text is based on NYSE Arca Rule 7.18-E(d)(1)(A) and NYSE American Rule 7.18E(d)(1)(A) without any substantive differences. The Exchange also proposes to amend Rule 7.18(d)(1)(B) to change the reference from "Exchange's Normal Trading Hours" to the term "Core Trading Session," which would be defined in proposed Rule 7.34, described below.

The Exchange also proposes to amend Rule 7.18(a) to change the cross reference from Rule 80C to Rule 7.11 as proposed Rule 7.11 would govern how the Exchange would comply with the LULD Plan for trading UTP Securities.

Proposed Rule 7.34

Proposed Rule 7.34 would establish trading sessions on the Exchange. The Exchange proposes that on the Pillar trading platform, it would have Early and Core Trading Sessions. Accordingly, proposed Rule 7.34 is based in part on NYSE Arca Rule 7.34-E and NYSE American Rule 7.34E, with the following substantive differences. First, similar to NYSE American, the Exchange proposes that the Early Trading Session would begin at 7:00 a.m. Eastern Time. Similar to NYSE Arca and NYSE American, the Exchange would begin accepting orders 30 minutes before the Early Trading Session begins, which means order entry acceptance would begin at 6:30 a.m. Eastern Time. These differences would be reflected in proposed Rule 7.34(a)(1).

Second, proposed Rule 7.34(b) would be new and is not based on NYSE Arca Rule 7.34-E(b) or NYSE American Rule 7.34E(b). Rather than require member organizations to include a designation for which trading session the order would be in effect, the Exchange proposes to specify in Rule 7.34(b) and (c) which trading sessions an order would be deemed designated. Proposed Rule 7.34(b)(1) would provide that unless otherwise specified in Rule 7.34(c), an order entered before or during the Early or Core Trading Session would be deemed designated for the Early Trading Session and the Core Trading Session. Proposed Rule 7.34(b)(2) would provide that an order without a time-in-force designation would be deemed designated with a day time-in-force modifier.

Proposed Rule 7.34(c) would specify which orders would be permitted in each session. Proposed Rule 7.34(c)(1) would provide that unless otherwise specified in paragraphs (c)(1)(A) - (C), orders and modifiers defined in Rule 7.31 would be eligible to participate in the Early Trading Session. This proposed rule text is based on NYSE Arca Rule 7.34-E(c)(1) and NYSE American Rule 7.34E(c)(1) with a substantive difference not to refer to orders “designated” for the Early Trading Session. In addition, because the Exchange would not be offering a Retail Liquidity Program, the Exchange would not reference Rule 7.44.

- Proposed Rule 7.34(c)(1)(A) would provide that Pegged Orders would not be eligible to participate in the Early Trading Session. This rule text is based in part on NYSE Arca Rule 7.34-E(c)(1)(A) and NYSE American Rule 7.34E(c)(1)(A) in the Pegged Orders would not be eligible to participate in the Early Trading Session. The Exchange proposes a substantive difference from the NYSE Arca and NYSE American rules because proposed Rule 7.34(c)(1)(A) would not refer to Market Orders. Market Orders entered during the Early Trading Session would be addressed in proposed Rule 7.34(c)(1)(C), described below. The proposed rule would further provide that Non-Displayed Primary Pegged Orders entered before the Core Trading Session would be rejected and Primary

Pegged Orders entered before the Core Trading Session would be accepted but would not be eligible to trade until the Core Trading Session begins. This rule text is based in part on both NYSE Arca Rule 7.34-E(c)(1)(A) and NYSE American Rule 7.34E(c)(1)(A), but uses terminology consistent with the Exchange's proposed order types.

- Proposed Rule 7.34(c)(1)(B) would provide that Limit Orders designated IOC would be rejected if entered before the Early Trading Session begins. This proposed rule is based on NYSE Arca Rule 7.34-E(c)(1)(B) and NYSE American Rule 7.34E(c)(1)(B) with two substantive differences. First, because the Exchange would not be conducting auctions, the Exchange proposes to specify that the rejection period would begin "before the Early Trading Session begins" rather than state "before the Early Open Auction concludes." Second, the Exchange would not refer to Cross Orders, which would not be offered on the Exchange.
- Proposed Rule 7.34(c)(1)(C) would provide that Market Orders and Auction-Only Orders in UTP Securities entered before the Core Trading Session begins would be routed to the primary listing market on arrival and any order routed directly to the primary listing market on arrival would be cancelled if that market is not accepting orders. This proposed rule is based on NYSE Arca Rule 7.34-E(c)(1)(D) and NYSE American Rule 7.34E(c)(1)(D) with a non-substantive difference to specify that such orders would be routed until the Core Trading Session begins.

Proposed Rule 7.34(c)(2) would provide that unless otherwise specified in Rule

7.34(c)(2)(A) – (B), all orders and modifiers defined in Rule 7.31 would be eligible to participate in the Core Trading Session. This proposed rule text is based on NYSE Arca Rule 7.34-E(c)(2) and NYSE American Rule 7.34E(c)(2) with a substantive difference not to refer to orders "designated" for the Core Trading Session. In addition, because the Exchange would not be offering a Retail Liquidity Program, the Exchange would not reference Rule 7.44.

- Proposed Rule 7.34(c)(2)(A) would provide that Market Orders in UTP Securities would be routed to the primary listing market until the first opening print of any size on the primary listing market or 10:00 a.m. Eastern Time, whichever is earlier. This proposed rule is based on NYSE Arca Rule 7.34-E(c)(2)(A) and NYSE American Rule 7.34E(c)(2)(A) with a non-substantive difference to use the term "UTP Securities" instead of referencing orders that "are not eligible for the Core Open Auction."
- Proposed Rule 7.34(c)(2)(B) would provide that Auction-Only Orders in UTP Securities would be accepted and routed directly to the primary listing market. This proposed rule is based on NYSE Arca Rule 7.34-E(c)(2)(B) and NYSE American Rule 7.34E(c)(2)(B) with a non-substantive difference to use the term "UTP Securities" instead of referencing orders that "are not eligible for an auction on the Exchange."

Proposed Rule 7.34(d) would establish requirements for member organizations to provide customer disclosure when accepting orders for execution in the Early Trading Session. The proposed rule is based on NYSE Arca Rule 7.34-E(d) and NYSE American Rule 7.34E(d) without any substantive differences.

Proposed Rule 7.34(e) would provide that trades on the Exchange executed and reported outside of the Core Trading Session would be designated as .T trades. This proposed rule is based on NYSE Arca Rule 7.34-E(e) and NYSE American Rule 7.34E(e) without any substantive differences.

Proposed Rule 7.38

Proposed Rule 7.38 (Odd and Mixed Lot) would establish requirements relating to odd lot and mixed lot trading on the Exchange. The proposed rule is based on NYSE Arca Rule 7.38-E and NYSE American Rule 7.38E with one substantive difference. Because orders ranked Priority 2 – Display Orders, including odd-lot sized orders, are on an allocation wheel at their display price, the Exchange proposes that if the display price of an odd-lot order to buy (sell) is above (below) its working price (i.e., the PBBO, which is the price at which the odd-lot order is eligible to trade, has crossed the display price of that odd-lot order), the odd-lot order would be ranked and allocated based on its display price. In such case, the order would execute at its working price, but if there is more than one odd-lot order at the different display price, they would be allocated on parity.

For example, if at 10.02, the Exchange has an order "A" to buy 50 shares ranked Priority 2 – Display Orders, and at 10.01, the Exchange has an order "B" to buy 10 shares ranked Priority 2 –Display Orders, an order "C" to buy 10 shares ranked Priority 2 – Display Orders, and an order "D" to buy 10 shares ranked Priority 2 –Display Orders, and the parity pointer is on order "C," if the Away Market PBO becomes 10.00, which crosses the display price of "A," "B," "C," and "D," those orders would trade at 10.00. If the Exchange were to receive a Market Order to sell 70 shares, it would trade at 10.00 and be allocated 50 shares to "A," 10 shares to "C," and 10 shares to "D." "B" would not receive an allocation based on its position on the allocation wheel.

The Exchange proposes that Rule 61 (Recognized Quotations) would not be applicable to trading UTP Securities on the Pillar trading platform.

Proposed Rule 7.46

Section 5 of Rule 7P would establish requirements relating to the Plan to Implement a Tick Size Pilot Program. Proposed Rule 7.46 (Tick Size Pilot Plan) would specify such requirements. The proposed rule is based on NYSE American Rule 7.46E with the following substantive differences for proposed Rule 7.46(f). First, because the Exchange would not offer Market Pegged Orders, the Exchange proposes that paragraph (f)(3) of the Rule would be designated as "Reserved." Second, the Exchange proposes to set forth the priority of resting orders both for ranking and for allocation. For Pilot Securities in Test Group Three, proposed Rule 7.46(f)(5)(A) would govern ranking instead of proposed Rule 7.36(e), described above, as follows:

- Priority 2 - Display Orders. Non-marketable Limit Orders with a displayed working price would have first priority.
- Protected Quotations of Away Markets. Protected quotations of Away Markets would have second priority.
- Priority 1 - Market Orders. Unexecuted Market Orders would have third priority.
- Priority 3 - Non-Display Orders. Non-marketable Limit Orders for which the working price is not displayed, including reserve interest of Reserve Orders, would have fourth priority.

For Pilot Securities in Test Group Three, proposed Rule 7.46(f)(5)(B) would set forth how an Aggressing Order would be allocated against contra-side orders, instead of proposed Rule 7.37(b)(1), described above, as follows:

- First, an order with Setter Priority that has a display price and working price equal to the BBO would receive 15% of the remaining quantity of the Aggressing Order, rounded up to the next round lot size or the remaining displayed quantity of the order with Setter Priority, whichever is lower. An order with Setter Priority would be eligible for Setter Priority allocation if the BBO is no longer the same as the NBBO.
- Next, orders ranked Priority 2 – Displayed Orders would be allocated on parity by Participant. The remaining quantity of the order with Setting Priority would be eligible to participate in this parity allocation, consistent with the allocation wheel position of the Participant that entered the order with Setter Priority.
- Next, subject to proposed Rule 7.46(f)(5)(F) (describing orders with instructions not to route), the Exchange would route the Aggressing Order to protected quotations of Away Markets.
- Next, orders ranked Priority 1 - Market Orders would trade based on time.
- Next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS, would be allocated on parity by Participant.
- Next, MPL Orders with an MTS would be allocated based on MTS size (smallest to largest) and time.

Third, the Exchange would not include rule text based on NYSE American Rule 7.46E(f)(G), relating to Limit IOC Cross Orders, which would not be offered on the

Exchange. Finally, proposed Rules 7.46(f)(5)(F)(i)(a) and (b) are based on NYSE Arca Rules 7.46-E(f)(5)(F)(i)(a) and (b) and not the NYSE American version of the rule because NYSE American does not offer Day ISO orders.

The Exchange proposes that Rule 67 (Tick Size Pilot Plan) would not be applicable to trading UTP Securities on the Pillar trading platform.

Amendments to Rule 103B and 107B

As described above, the Exchange would not assign UTP Securities to DMMs. Accordingly, the Exchange proposes to amend Rule 103B(I) (Security Allocation and Reallocation) to specify that UTP Securities would not be allocated to a DMM unit.

In addition, because UTP Securities would be eligible to be assigned to Supplemental Liquidity Providers, the Exchange proposes to amend Rule 107B (Supplemental Liquidity Providers) to replace the term “NYSE-listed securities” with the term “NYSE-traded securities,” which would include UTP Securities.

Current Rules that would not be Applicable to trading UTP Securities on Pillar

As described in more detail above, in connection with the proposed rules to support trading of UTP Securities on the Pillar trading platform, the Exchange has identified current Exchange rules that would not be applicable because they would be superseded by a proposed rule. The Exchange has identified additional current rules that would not be applicable to trading on Pillar. These rules do not have a counterpart in the proposed Pillar rules, described above, but would be obsolete when trading UTP Securities on Pillar.

The main category of rules that would not be applicable to trading on the Pillar trading platform are those rules that are specific to auctions and Floor-based point-of-sale trading other than crossing transactions pursuant to Rule 76. For this reason, the Exchange proposes that the following Floor-specific rules would not be applicable to trading on the Pillar trading platform:

- Rule 15 (Pre-Opening Indication and Opening Order Imbalance Information).
- Rule 77 (Prohibited Dealings and Activities).
- Rule 79A (Miscellaneous Requirements on Stock Market Procedures).
- Rule 108 (Limitation on Members' Bids and Offers).
- Rule 111 (Reports of Executions).
- Rule 115A (Orders at Opening).
- Rule 116 ('Stop' Constitutes Guarantee).
- Rule 123A (Miscellaneous Requirements).
- Rule 123B (Exchange Automated Order Routing System).
- Rule 123C (The Closing Procedures).
- Rule 123D (Openings and Halts in Trading)
- Rule 127 (Block Crosses Outside the Prevailing NYSE Quotation).

In addition, as noted above, the Exchange would not offer a Retail Liquidity Program when it trades on the Pillar trading platform. Proposed rules that are based on NYSE Arca rules that include a cross reference to NYSE Arca Rule 7.44-E would not include that rule reference. The Exchange also proposes that Rule 107C would not be applicable to trading UTP Securities on the Pillar trading platform.

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As discussed above, because of the technology changes associated with the migration to the Pillar trading platform, the Exchange will announce by Trader Update when the Pillar rules for trading UTP Securities will become operative.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act"),[40] in general, and furthers the objectives of Section 6(b)(5),[41] in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that the proposed rules to support Pillar on the Exchange would remove impediments to and perfect the mechanism of a free and open market because they provide for rules to support the Exchange's introduction of trading UTP Securities on the Pillar trading platform.

Generally, the Exchange believes that the proposed rules would remove impediments to and perfect the mechanism of a free and open market and a national market system because they would support the Exchange's introduction of trading UTP Securities in a manner that would use Pillar terminology to describe how the Exchange's current Floor-based parity allocation model with Setter Priority would operate, with specified substantive differences from current rules, and introduce Pillar rules for the

[40] 15 U.S.C. 78f(b).

[41] 15 U.S.C. 78f(b)(5).

Exchange that are based on the rules of its affiliated markets, NYSE Arca and NYSE American.

With respect to how UTP Securities would be ranked, displayed, executed, and routed on Pillar, the Exchange believes that proposed Rules 7.36(a) – (g) and proposed Rules 7.37(a) and (c) – (g) would remove impediments to and perfect the mechanism of a free and open market and a national market system because these rules would use Pillar terminology that is based on the approved rules of NYSE Arca and NYSE American. The Exchange believes that proposed Rule 7.36(h), which would establish Setter Priority, would remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed rule is based on current Rule 72(a), with substantive differences designed to encourage the display of aggressively-priced orders by requiring that an order not only establish the BBO, but also establish or join the NBBO to be eligible for Setter Priority.

The Exchange similarly believes that proposed Rule 7.37(b), which would use Pillar terminology to describe how an Aggressing Order would be allocated, would remove impediments to and perfect the mechanism of a free and open market and a national market system because it is based on current Rule 72(b) and (c). The Exchange believes that the proposed substantive difference to maintain separate allocation wheels for displayed and non-displayed orders at each price would promote just and equitable principles of trade because it would allow for Exchange member organizations to establish their position on an allocation wheel at each price point, rather than rely on their position on a single allocation wheel that would be applicable to trades at multiple price points.

The Exchange believes that extending its parity allocation model to UTP Securities, including extending parity allocation for orders entered by Floor brokers, is not designed to permit unfair discrimination between customers, issuers, brokers or dealers. First, although the Exchange would not have DMMs assigned to UTP Securities, the Exchange proposes to maintain Floor trading for UTP Securities. Similar to trading in Exchange-listed securities, Floor brokers, would be able to effect crossing transactions in UTP Securities on the Floor, but with Exchange employees rather than DMMs staffing where such trading would occur.

Second, to be eligible to be included in the Floor Broker Participant, and thus be eligible for a parity allocation, the Floor broker that entered the order must be engaged in a Floor broker business in Exchange-listed securities. The Exchange believes that this requirement provides a nexus between Exchange Floor trading in Exchange-listed securities and the extension of that model to trading in UTP Securities.

Third, because member organizations operating as Floor brokers would be trading on the floor of an exchange, they would be subject to restrictions on trading for their own account set forth in Section 11(a)(1) of the Act and rules thereunder. Moreover, the Exchange proposes to specify in proposed Rule 7.36 that for an order to be eligible to be included in the Floor Broker Participant, it cannot be for the account of the Floor broker or any associated persons (unless entered via an error account pursuant to Rule 134).

Because Floor brokers trading in UTP Securities would not be permitted to trade for their own accounts, they would not be permitted to engage in the type of customer-based principal trading activities of a member organization that enters orders from off the Floor of the Exchange. Therefore, an allocation to an individual Floor broker under the

Exchange's proposed allocation model would *always* accrue to the customer of that Floor broker (or customers if multiple orders are represented by a Floor broker). Conversely, because a member organization operating a Floor broker may trade on behalf of customers only, it would *never* receive a Floor broker parity allocation for proprietary trading. As such, the Exchange does not consider the proposed parity allocation model for UTP Securities as a Floor broker "benefit," but rather as an allocation model choice for customers.

This choice remains relevant in today's more electronic market. As broker-dealers and institutional investors have reduced the number of natural persons on their own off-Floor trading desks, Floor brokers have come to serve as an extension of the more thinly staffed trading desks of other broker-dealers or institutional investors, but at a variable cost. This is an important function that the Floor brokers play as an agency broker without conflicts and fills a void for firms that have chosen to allocate resources away from trading desks. In addition to this role, Floor brokers provide services for more illiquid securities, which upstairs trading desks may not be staffed to manage. Importantly, when providing such agency trading services, a Floor broker is unconflicted because he or she is not trading for his own account and does not sell research to customers. Floor brokers therefore can focus on price discovery and volume discovery on behalf of their customers, while at the same time managing their customers' order flow to ensure that it does not impact pricing on the market (e.g., executing large positions on behalf of a customer). As discussed above, when managing such customer order flow, Floor brokers trading in UTP Securities would continue to be subject to Exchange rules that are unique to Floor brokers, including Rules 95, 122, 123, and paragraphs (d) – (j) of

Rule 134.

Fourth, any member organization can choose to have a Floor broker operation and thus have direct access to Floor broker parity allocations on behalf of its customers. The Exchange does not charge member organizations for the use of booth space on the Floor, and therefore there would be minimal to no extra cost for a member organization to have a Floor business. Indeed, a smaller firm that moves its entire operation to the NYSE Floor could have reduced costs as compared to a firm that needs to pay for office space. Because there is fair access to any member organization to engage in a Floor broker operation, the differences between how an order is allocated to a Floor Broker Participant and Book Participant would not unfairly discriminate among Exchange member organizations.

Finally, customers relying on agency broker-dealers to represent their orders on the Exchange can choose whether to use a Floor broker or a member organization that only uses off-exchange order entry methods.[42] In some cases, customers choose to use a member organization that offers both order entry methods. But the different allocation models are available to all customers that use a member organization to enter orders on the Exchange; having such choice would not unfairly discriminate among customers.

The Exchange also believes that its proposal to make its existing parity allocation model, as modified for the Pillar trading platform, available for UTP Securities would remove impediments to and perfect the mechanism of a free and open market because it would extend the Exchange's choice-based allocation model to all securities that would

[42] Floor broker customers are generally other broker-dealers or institutional investors. Retail investors generally do not interact directly with either Floor brokers or the trade desks of member organizations that route orders to the Exchange.

trade on the Exchange in a manner that is consistent with its Trading Floor model. For market participants other than DMMs, the Exchange does not believe that there is an inherent benefit of one method of allocation on the Exchange over another. Market participants that are latency sensitive – whether for proprietary or agency-based trading – may choose to use the off-exchange order entry method because of the relative speed of that order entry path as compared to Floor broker order entry and availability of Setter Priority allocation. By contrast, market participants that are not as latency sensitive or are seeking an unconflicted agent to manage their order flow and potentially negotiate a large crossing transaction may choose to use a Floor broker.

The Exchange believes that intra-day trading volume entered by Floor brokers in NYSE-listed securities, which are subject to the Exchange's existing parity allocation model, demonstrates how customers have already exercised this choice. In October 2017, orders from Floor brokers represented approximately 5.5% of the intra-day liquidity-providing volume on the Exchange in NYSE-listed securities (the parity allocation model is only applicable to provide volume).[43] The Exchange believes that this volume demonstrates that there is still a value to the end customer – who has a choice – to use a Floor broker. As discussed above, Floor brokers can be distinguished from off-Floor agency member organizations because they operate a pure agency business and do not trade for their own accounts. There are customers that value that conflict-free model. In addition, Floor brokers distinguish themselves by providing high-touch service to their customers. Floor brokers that attract liquidity-providing orders promote the display of

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43 Over 75% of Floor broker traded volume in NYSE-listed securities is for auctions. However, because the Exchange would not be conducting auctions in UTP Securities, the relative benefits of a parity allocation to a Floor broker in an auction would not be applicable.

liquidity on the Exchange.

That volume of Floor broker intra-day trading also demonstrates that customers have similarly exercised their choice not to use Floor brokers. If there were an inherent benefit to the Floor broker parity allocation that distinguishes it as superior to the Book Participant allocation, it would likely follow that there would be greater proportion of intra-day order flow directed to Floor brokers in NYSE-listed securities. But that is not the case. In sum, the current NYSE-listed intra-day Floor broker provide volume demonstrates that using a Floor broker has value to certain customers, but also demonstrates that the parity allocation to a Floor broker is not the only component of a customer's decision about how to send its orders to the Exchange. With this filing, the Exchange proposes to extend that choice to UTP Securities, thereby benefiting the ultimate customer of the Floor broker.

The Exchange further believes that its proposed parity allocation model for UTP Securities would remove impediments to and perfect the mechanism of a free and open market and a national market system because it is a competitive offering vis-à-vis other exchange competitors, which offer variations on a price-time priority models, and over-the-counter trading. The Exchange is currently the only registered exchange that does not trade non-Exchange listed securities on a UTP basis. Additionally, the Exchange currently is the only registered exchange that makes available Floor-based trading for cash equity securities. The Exchange proposes to extend the availability of this feature by maintaining Floor-based crossing transactions when it launches trading in UTP Securities. The Exchange believes that trading UTP Securities is a natural extension of its current offering of trading Exchange-listed securities, which also trade on a parity allocation model. The Exchange believes it would promote competition to offer this allocation model for all securities that would trade on the Exchange, thereby providing an alternative allocation model for UTP Securities. Conversely, Floor brokers on the Exchange would be able to expand the services they provide to customers by being able to manage order flow in UTP Securities in addition to Exchange-listed securities. The Exchange also believes that this proposed allocation model would promote intra-market competition by offering a menu of choices to market participants of how their orders in UTP Securities would be allocated on the Exchange.

While the parity allocation model is a competitive offering, its origins are derived from the Floor-based trading model of the Exchange. Accordingly, the Exchange believes that it would remove impediments to and perfect the mechanism of a free and open market and a national market system to provide for Floor-based crossing transactions and to extend existing requirements relating to Floor brokers for orders in UTP Securities that seek to be eligible to be included in the Floor Broker Participant. First, as noted above, the Floor broker must trade on an agency-only basis and would continue to be subject to rules that are unique to a Floor broker, including requirements specified in Rules 95, 122, 123, and 134(d) – (j). Second, consistent with current Rule 70 requirements, for orders in UTP Securities to be eligible to be included in the Floor Broker Participant, such orders must be entered by a Floor broker while on the Trading Floor.

In addition, because the parity allocation model is based on the history of the Exchange as a Floor-based model, the Exchange believes that for orders in UTP Securities to be eligible to be included in the Floor Broker Participant, the Floor broker representing such orders must also be engaged in a Floor broker business in Exchange-listed securities. Trading in UTP Securities on the Trading Floor is designed to complement a Floor broker's existing role in representing orders in Exchange-listed securities because it would enable such Floor brokers to trade additional securities on behalf of their customers. For example, a Floor broker would be better positioned to process baskets of securities that include Tape A, B, and C securities and enter all such orders on the Exchange. By offering the parity allocation model for UTP Securities, a Floor broker would not need to segregate its orders in UTP Securities into different trading strategies than what would be offered for Exchange-listed securities. Because Floor broker trading in UTP Securities is designed to function in tandem with trading in Exchange-listed securities, the Exchange believes that it would remove impediments to and perfect the mechanism of a free and open market and a national market system to require such nexus because it would ensure that member organizations would not seek to conduct a stand-alone Floor broker business in only UTP Securities.

The Exchange believes that proposed Rules 7.10, 7.11, 7.16, 7.18, 7.31, 7.34, 7.38, and 7.46 would remove impediments to and perfect the mechanism of a free and open market and a national market system because they are based on the rules of NYSE Arca and NYSE American. The proposed substantive differences to the Exchange's rules would be because the Exchange would not be offering the full suite of orders and modifiers available on NYSE Arca and NYSE American. In addition, the Exchange proposes substantive differences to these rules consistent with the Exchange's proposed parity allocation model. The Exchange believes that the proposed substantive differences for these rules would remove impediments to and perfect the mechanism of a free and open market and a national market system because they would provide transparency of which orders, modifiers and instructions would be available on the Exchange when it begins trading UTP Securities on the Pillar trading platform, and how the Pillar rules would function with a parity allocation model.

The Exchange believes that the proposed substantive differences to Rule 7.34 to offer Early and Core Trading Sessions, but not a Late Trading Session, would remove impediments to and perfect the mechanism of a free and open market and a national market system because it is consistent with the Exchange's current hours, described in Rule 51, that the Exchange is not open for business after 4:00 p.m. Eastern Time. The Exchange further believes that adding a trading session before 9:30 a.m. Eastern Time would provide additional time for Exchange member organizations to trade UTP Securities on the Exchange consistent with the trading hours of other exchanges, including NYSE American, which also will begin trading at 7:00 a.m. Eastern Time.

The Exchange believes that the proposed amendments to Rules 103B and 107B would remove impediments to and perfect the mechanism of a free and open market and a national market system because they would provide transparency that the Exchange would not be assigning UTP Securities to DMMs and that member organizations would be eligible to register as a Supplemental Liquidity Providers in UTP Securities. The Exchange further believes that not assigning DMMs to UTP Securities is consistent with just and equitable principles of trade because the Exchange would not be conducting auctions in UTP Securities and therefore the Exchange would not need DMMs assigned to such securities to facilitate auctions. Not having DMMs registered in UTP Securities is also consistent with how NYSE Arca and NYSE American function on Pillar, in that neither lead market makers (on NYSE Arca) nor electronic designated market makers (on NYSE American) are assigned securities not listed on those exchanges. The Exchange further believes that it would remove impediments to and perfect the mechanism of a free and open market and a national market system for member organizations to be eligible to register as Supplemental Liquidity Providers in UTP Securities as this would provide an incentive for displayed liquidity in UTP Securities.

The Exchange further believes that it would remove impediments to and perfect the mechanism of a free and open market and a national market system to specify which current rules would not be applicable to trading UTP Securities on the Pillar trading platform. The Exchange believes that the following legend, which would be added to existing rules, "This Rule is not applicable to trading UTP Securities on the Pillar trading platform," would promote transparency regarding which rules would govern trading UTP Securities on the Exchange on Pillar. The Exchange has proposed to add this legend to rules that would be superseded by proposed rules or rules that would not be applicable because they relate to auctions or Floor-based point-of-sale trading.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is designed to propose rules to support trading of UTP Securities on the Exchange's new Pillar trading platform. The Exchange operates in a highly competitive environment in which its unaffiliated exchange competitors operate multiple affiliated exchanges that operate under common rules. By adding trading of UTP Securities on the Exchange, the Exchange believes that it will be able to compete on a more level playing field with its exchange competitors that similarly trade all NMS Stocks. In addition, by basing certain rules on those of NYSE Arca and NYSE American, the Exchange will provide its members with consistency across affiliated exchanges, thereby enabling the Exchange to compete with unaffiliated exchange competitors that similarly operate multiple exchanges on the same trading platforms.

More specifically, the Exchange does not believe that the proposal to extend the Exchange's existing parity allocation model, as modified for Pillar, to UTP Securities would impose a burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange believes that the proposal would promote inter-market competition by providing market participants with the choice of a parity allocation model together with Floor crossing transactions for trading UTP Securities, which is not available on any other exchange. For the Exchange's listed securities, its competitive offering includes not only its parity allocation model, but also its auctions. Designed as a complement to existing Floor broker operations in Exchange-listed securities and consistent with the Exchange's current trading model, the Floor Broker Participant parity allocation for UTP Securities would be available only to Floor brokers that engage in Floor trading of Exchange-listed securities, and such Floor brokers would be eligible to engage in manual transactions under Rule 76 for UTP Securities. In addition, to be eligible for a parity allocation, Floor brokers must enter such orders on the Trading Floor and could only trade on an agency basis. Moreover, any trading in UTP Securities by Floor brokers would be subject to existing rules that apply only to Floor brokers, such as Rules 95, 122, 123, and 134(d) – (j).

The Exchange further believes that the proposal would promote intra-market competition because it would provide a choice to customers of how their orders in UTP Securities would be allocated on the Exchange. For certain customers, entering orders via the Book Participant may serve their trading strategies. For other customers, using a Floor broker for intra-day trading may serve their trading strategies. Importantly, the results of a Floor broker allocation would always accrue to the customer, and whether to use a Floor broker is the customer's choice. Accordingly, this proposed market structure is not about providing a "benefit" to a Floor broker, but rather providing customers with a choice of how an order would be allocated.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2017-36 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2017-36. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2017-36 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[44]

Robert W. Errett
Deputy Secretary

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[44] 17 CFR 200.30-3(a)(12).

EXHIBIT 4

Additions: Underlined
Deletions: [Bracketed]
Amendment No. 1 added text in ***bold italics underlined***
Amendment No. 1 deleted text in ~~strikethrough~~ or [bracketed]

Rules of New York Stock Exchange LLC

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Pillar Platform Rules (Rules 1P – 13P)

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Rule 7P EQUITIES TRADING

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Section 3. Exchange Trading

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Rule 7.31. [Reserved]Orders and Modifiers

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(b) Time in Force Modifiers

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(2) Immediate-or-Cancel ("IOC") Modifier. A Limit Order may be designated IOC or Routable IOC, as described in paragraphs (A) and (B) of this paragraph (b)(2). The IOC Modifier will override any posting or routing instructions of orders that include the IOC Modifier.

(A) Limit IOC Order. A Limit Order designated IOC is to be traded in whole or in part on the Exchange as soon as such order is received, and the quantity not so traded is cancelled. A Limit IOC Order does not route. ~~A Limit IOC Order to buy (sell) may be designated with a minimum trade size ("MTS"), which will trade against sell (buy) orders in the Exchange Book that in the aggregate, meets its MTS. On entry, a Limit IOC Order with an MTS must have a minimum of one~~

~~round lot and will be rejected on arrival if the MTS is larger than the size of the Limit IOC Order. A Limit IOC Order with an MTS that cannot be immediately traded at its minimum size will be cancelled in its entirety.~~

(B) Limit Routable IOC Order. A Limit Order designated Routable IOC is to be traded in whole or in part on the Exchange as soon as such order is received, and the quantity not so traded routed to Away Market(s). Any quantity not immediately traded either on the Exchange or an Away Market will be cancelled. ~~A Limit Routable IOC Order may not be designated with an MTS.~~

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(d) Orders with a Conditional or Undisplayed Price and/or Size

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(3) Mid-Point Liquidity Order ("MPL Order"). A Limit Order that is not displayed and does not route, with a working price at the midpoint of the PBBO. An MPL Order is ranked Priority 3- Non-Display Orders. MPL Orders are valid for any session.

*****

(C) ~~On arrival, a~~***A***n ***Aggressing*** MPL Order to buy (sell) ~~that is eligible to trade~~ will trade with resting orders to sell (buy) with a working price at or below (above) the midpoint of the PBBO ***at the working price of the resting orders***. Resting MPL Orders to buy (sell) will trade at the midpoint of the PBBO against ***all Aggressing Orders*** ~~all incoming orders~~ to sell (buy) priced at or below (above) the midpoint of the PBBO.

*****

(D) ~~An MPL Order may be designated with an MTS of a minimum of one round lot and will be rejected on arrival if the MTS is larger than the size of the MPL Order. On arrival, an MPL Order to buy (sell) with an MTS will trade with sell (buy) orders in the Exchange Book that in the aggregate, meets its MTS. If the sell (buy) orders do not meet the MTS, the MPL Order to buy (sell) will not trade on arrival and will be ranked in the Exchange Book. Once resting, an MPL Order to buy (sell) with an MTS will trade with an order to sell (buy) that meets the MTS and is priced at or below (above) the midpoint of the PBBO. If an order does not meet an MPL Order's MTS, the order will not trade with and may trade through such MPL Order. If an MPL Order with an MTS is traded in part or reduced in size and the remaining quantity of the order is less than the MTS, the MPL Order will be cancelled.~~

~~(E)~~ An MPL Order may be designated IOC ("MPL-IOC Order"). Subject to such IOC instructions, an MPL-IOC Order will follow the same trading and priority rules as an MPL Order, except that an MPL-IOC Order will be rejected if (i) the order entry size is less than one round lot, or (ii) there is no PBBO or the PBBO is locked or crossed. An MPL-IOC Order cannot be designated ALO.

~~(F)~~**(E)** An MPL Order may be designated with an ALO Modifier ("MPL-ALO Order").

(i) ~~On arrival, a~~***A***n ***Aggressing*** MPL-ALO Order to buy (sell) will trade with resting orders to sell (buy) with a working price below (above) the midpoint of the PBBO ***at the working price of the resting orders***, but will not trade with resting orders to sell (buy) priced at the midpoint of the PBBO.

(ii) If an MPL-ALO Order to buy (sell) cannot trade with a same-priced resting order to sell (buy), a subsequently arriving order to sell (buy) eligible to trade at the midpoint will trade ahead of a resting order to sell (buy) that is not displayed at that price. If such resting order to sell (buy) is displayed, the MPL-ALO Order to buy (sell) will not be eligible to trade at that price. **[**A resting MPL-ALO Order to buy (sell) will trade with an arriving order to sell (buy) that is eligible to trade at the midpoint of the PBBO.]

(e) Orders with Instructions Not to Route

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(3) Intermarket Sweep Order ("ISO"). A Limit Order that does not route and meets the requirements of Rule 600(b)(30) of Regulation NMS. ISOs are not available to Floor brokers.

*****

(B) An ISO designated IOC ("IOC ISO") will be immediately traded with contraside interest in the Exchange Book up to its full size and limit price and the quantity not so traded will be immediately and automatically cancelled. ~~An IOC ISO may not be designated with an MTS.~~

*****

(i) Additional Order Instructions and Modifiers:

(1) Reserved.

(2) Self Trade Prevention Modifier ("STP"). Any incoming order to buy (sell) designated with an STP modifier will be prevented from trading with a resting order to sell (buy) also designated with an STP modifier and from the same Client ID, as designated by the member organization. The Exchange will evaluate the interaction between two orders marked with STP modifiers from the same Client ID consistent

with the allocation logic applicable to the priority category of the resting order. If resting orders in a priority category do not have an STP modifier from the same Client ID, the incoming order designated with an STP modifier will trade with resting orders in that priority category before being evaluated for STP with resting orders in the next priority category. The STP modifier on the incoming order controls the interaction between two orders marked with STP modifiers.

*****

(3) Minimum Trade Size ("MTS") Modifier. A Limit IOC Order or MPL Order may be designated with an MTS Modifier.

(A) An MTS must be a minimum of a round lot. An order with an MTS Modifier will be rejected if the MTS is less than a round lot or if the MTS is larger than the size of the order.

(B) On arrival, an order to buy (sell) with an MTS Modifier will trade with sell (buy) orders in the Exchange Book that in the aggregate meet such order's MTS.

(C) An order with an MTS Modifier that is designated Day and cannot be satisfied on arrival will not trade and will be ranked in the Exchange Book. In such case, the order to buy (sell) with an MTS that is ranked in the Exchange Book will not be eligible to trade:

(i) at a price equal to or above (below) any sell (buy) orders that are displayed and that have a working price equal to or below (above) the working price of such order with an MTS Modifier; or

(ii) at a price above (below) any sell (buy) orders that are not displayed and that have a working price below (above) the working price of such order with an MTS Modifier.

(D) An order with an MTS Modifier that is designated IOC and cannot be immediately satisfied will be cancelled in its entirety.

(E) A resting order to buy (sell) with an MTS Modifier will trade with individual sell (buy) orders that each meets the MTS.

(i) If an Aggressing Order to sell (buy) does not meet the MTS of the resting order to buy (sell) with an MTS Modifier, that Aggressing Order will not trade with and may trade through such order with an MTS Modifier.

(ii) If a resting non-displayed sell (buy) order did not meet the MTS of a same-priced resting order to buy (sell) with an MTS Modifier, a subsequently

arriving sell (buy) order that meets the MTS will trade ahead of such resting non-displayed sell (buy) order at that price.

(F) A resting MPL Order to buy (sell) with an MTS Modifier that becomes an Aggressing Order will trade with sell (buy) orders as follows:

(i) when trading with sell (buy) orders in a priority category that allocates orders on price-time priority, if a sell (buy) order does not meet the MTS, the MPL Order with an MTS Modifier will not trade and will be ranked in the Exchange Book.

(ii) when trading with sell (buy) orders in a priority category that allocates orders on parity, if at least one sell (buy) order that would have been considered for an allocation does not meet the MTS, none of the sell (buy) orders in that category will trade and the MPL Order with an MTS Modifier will be ranked in the Exchange Book.

(G) A resting order with an MTS Modifier will be cancelled if it is traded in part or reduced in size and the remaining quantity is less than such order's MTS.

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Rule 7.36. [Reserved]Order Ranking and Display

(a) Definitions for purposes of Rule 7P Equities Trading:

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(5) "Participant" means for purposes of parity allocation, a Floor broker trading license (each, a "Floor Broker Participant") or orders collectively represented in the Exchange Book that have not been entered by a Floor broker ("Book Participant"). ***An order entered by a Floor broker is eligible to be included in the Floor Broker Participant if:***

(A) such order is entered by a Floor broker while on the Trading Floor;

(B) such order is not entered for the account of the member organization, the account of an associated person, or an account with respect to which the member, member organization, or an associated person exercises investment discretion, unless such order is entered pursuant to Rule 134(d) – (j); and

(C) the member organization with which such Floor broker is associated engages in a Floor broker business in Exchange-listed securities.

(6) "Aggressing Order" means a buy (sell) order that is or becomes marketable against sell (buy) interest on the Exchange Book. ***A resting order may become an***

Aggressing Order if its working price changes, if the PBBO or NBBO is updated, because of changes to other orders on the Exchange Book, or when processing inbound messages.

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Rule 7.37. [Reserved]Order Execution and Routing

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(b) *Allocation.*

(1) At each price, an Aggressing Order will be allocated against contra-side orders as follows:

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(D) Next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS ***Modifier***, will be allocated on parity by Participant.

(E) Next, MPL Orders with an MTS ***Modifier*** will be allocated based on MTS size (smallest to largest) and time.

*****

(e) *Use of Data Feeds*. The Exchange uses the following data feeds for the handling, execution, and routing of orders, as well as for regulatory compliance:

Market Center	**Primary Source**	**Secondary Source**
~~Bats~~ ***Cboe*** BZX Exchange, Inc.	Direct Feed	SIP Data Feed
~~Bats~~ ***Cboe*** BYX Exchange, Inc.	Direct Feed	SIP Data Feed
~~Bats~~ ***Cboe*** EDGA Exchange, Inc.	Direct Feed	SIP Data Feed
~~Bats~~ ***Cboe*** EDGX Exchange, Inc.	Direct Feed	SIP Data Feed
Chicago Stock Exchange, Inc.	SIP Data Feed	n/a

Investors' Exchange, LLC	SIP Data Feed	n/a
NASDAQ BX, Inc.	Direct Feed	SIP Data Feed
NASDAQ PHLX LLC	Direct Feed	SIP Data Feed
NASDAQ Stock Market LLC	Direct Feed	SIP Data Feed
NYSE Arca, Inc.	Direct Feed	SIP Data Feed
NYSE American LLC	SIP Feed	Direct Feed

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Rule 7.38. [Reserved]Odd and Mixed Lots

(a) *Order Types.* Rule~~s~~ 7.31 specif~~y~~***ies*** whether an order may not be entered as an odd lot or mixed lot.

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Section 5. [Reserved]Plan to Implement a Tick Size Pilot Program

Rule 7.46. Tick Size Pilot Plan

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(f) Exchange handling of orders during the Pilot Period for the Plan.

(1) Trade-at Intermarket Sweep Orders ("TA ISO")

(A) The Exchange will accept TA ISOs in all securities. TA ISOs must be designated as IOC~~, may not be designated with an MTS,~~ and do not route.

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(5) For Pilot Securities in Test Group Three:

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<u>(B) At each price point, an Aggressing Order will be allocated against contra-side orders as follows:</u>

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<u>(v) Next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS ***Modifier***, will be allocated on parity by Participant.</u>

<u>(vi) Next, MPL Orders with an MTS ***Modifier*** will be allocated based on MTS size (smallest to largest) and time.</u>

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Rule 74. Publicity of Bids and Offers

~~*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*~~

A claim by a member who states that he had on the Floor a prior or better bid or offer shall not be sustained if the bid or offer was not made with the publicity and frequency necessary to make the existence of such bid or offer generally known at the time of the transaction.

Rule 75. Disputes as to Bids and Offers

~~*This Rule is not applicable to trading UTP Securities on the Pillar trading platform.*~~

Disputes arising on bids or offers, if not settled by agreement between the members interested, shall be settled by a Floor Official. In rendering a decision as to disputes regarding the amount traded, the Floor Official shall give primary weight to statements by any member who was not a party to the transaction and shall also take into account the size of orders held by parties to the disputed transaction, and such other facts as he deems relevant. If both parties to a dispute agree, and the dispute involves either a monetary difference of $10,000 or more or a questioned trade, the matter may be referred for resolution to a panel of three Floor Governors, Senior Floor Officials, or Executive Floor Officials, or any combination thereof, whose decision shall be binding on the parties. As an alternative to a panel of three Floor Governors, Senior Floor Officials, or Executive Floor Officials, or any combination thereof, members may also proceed to resolve a dispute through long-standing arbitration procedures established under the Exchange's Rules.

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Rule 76. "Crossing" Orders

*~~This Rule~~ **Supplementary Material .10 to this Rule** is not applicable to trading UTP Securities on the Pillar trading platform.*

When a member has an order to buy and an order to sell the same security, he or she shall offer such security at a price which is higher than his or her bid by the minimum variation permitted in such security before making a transaction with himself or herself. All such bids and offers shall be clearly announced to the trading Crowd before the member may proceed with the proposed "cross" transaction.

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Rule 128A. Publication of Transactions

Except for manual transactions pursuant to Rule 76, t*[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

• • • *Supplementary Material:* ------------------

.10 Duty of seller.—It is the duty of the seller to report the sale of a security in such manner as to facilitate the printing of the trade on the tape. Members should promptly call the attention of the appropriate person(s) to any error on or omission from the tape.

*****

Rule 128B. Publication of Changes, Corrections, Cancellations or Omissions and Verification of Transactions

Except for manual transactions pursuant to Rule 76, t*[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

• • • *Supplementary Material:* ------------------

10 Publication on the tape or in the "sales sheet".—Publication of a change or a correction in a transaction which previously appeared on the tape, or publication of the cancellation of a transaction which previously appeared on the tape and which was properly rescinded, or publication of a transaction omitted from the tape may be made on the tape on the day of the transaction provided both buying and selling members or member organizations agree to the change in the transaction(s) and approval is received from a Floor Governor, Executive Floor Official, Senior Floor Official or Executive Floor Governor. In the event such publications are not made on the tape on the day of the transaction, they may be published on the tape at least ten minutes prior to the opening of business on the following business day or in the "sales sheet" [*] within three business days of the date of the transaction with the approval of both the buying and selling members and a Floor Official, provided the price of the transaction does not affect the high, low, opening or closing price of the security on the day of the transaction.

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Comparisons and Exchange of Contracts (Rules 130—143)

Rule 130. Overnight Comparison of Exchange Transactions

Except for manual transactions pursuant to Rule 76, t*[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) Unless otherwise specified by rule, each transaction effected on the Exchange shall be processed anonymously and compared or otherwise closed out by the close of business on the Exchange on the business day following the day of the contract. All reports associated with such transactions will indicate the details of such transactions and shall not reveal contra-party identities.

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Rule 131. Comparison—Requirements for Reporting Trades and Providing Facilities

Except for manual transactions pursuant to Rule 76, t*[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) Duty to Report Transactions

It shall be the duty of every member to report each transaction made by him on the Floor as promptly as possible, but no later than one hour after the close of business on that day to his office, to the office of the member or member organization clearing for him or his member organization, or to the office of his principal, as the case may be, where adequate facilities to effect comparison are maintained. The Exchange may change the time requirements specified herein as it may determine.

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Rule 132. Comparison and Settlement of Transactions Through A Fully-Interfaced or Qualified Clearing Agency

Except for manual transactions pursuant to Rule 76, t*[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) Each party to a contract shall submit data regarding its side of the contract ("trade data") to a Fully-Interfaced Clearing Agency for comparison or settlement, but each party shall be free to select the Fully-Interfaced Clearing Agency of its choice for such purpose. Where the parties to a contract do not choose Fully-Interfaced Clearing Agencies for the comparison of such contract, they shall both submit trade data to the same Qualified Clearing Agency for comparison pursuant to the rules of such Clearing

Agency and where such parties do not choose Fully-Interfaced Clearing Agencies for the settlement of such contract, they shall both submit the same transaction to the same Qualified Clearing Agency for settlement pursuant to the rules of such Clearing Agency; provided, however, that this paragraph (a) shall not apply if (i) it is otherwise stipulated in the bid or offer, (ii) it is otherwise mutually agreed upon by both parties to the contract, or (iii) the Fully-Interfaced or Qualified Clearing Agency selected by either party to the contract refuses to act in the matter.

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Rule 134. Differences and Omissions-Cleared Transactions

Except for manual transactions pursuant to Rule 76, paragraphs (a) – (c) of *[T]**t**his Rule [is]**are** not applicable to trading UTP Securities on the Pillar trading platform.*

("QTs")

(a) When a clearing member organization submits a transaction in a listed stock or in a listed bond which it executed on the Exchange to the Exchange or to a Qualified Clearing Agency pursuant to the rules of such Exchange or Qualified Clearing Agency as a comparison item, and learns that it is uncompared, it shall resolve such comparison item on the first business day after the trade date through the facilities of the Correction System (the "System") during the time that such System is available for use.

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Rule 135. Differences and Omissions—Non-cleared Transactions ("DK's")

Except for manual transactions pursuant to Rule 76, t*[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.*

(a) When a comparison of a transaction executed on the Exchange which is not submitted to the Exchange or to a Qualified Clearing Agency for comparison pursuant to the rules of such Exchange or Qualified Clearing Agency is received and the recipient has no knowledge of the transaction, the comparison shall be stamped "Don't Know," dated and initialed by the person so marking the same, and the comparison form, so stamped, shall be returned immediately to the seller; and

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EXHIBIT 5

Additions: Underlined
Deletions: [Bracketed]

Rules of New York Stock Exchange LLC

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Pillar Platform Rules (Rules 1P – 13P)

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Rule 7P EQUITIES TRADING

Section 1. General Provisions

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Rule 7.10. [Reserved]Clearly Erroneous Executions

The provisions of paragraphs (c), (e)(2), (f), and (g) of this Rule and the provisions of paragraphs (i) through (k), will be in effect during a pilot period to coincide with the pilot period for the Limit Up-Limit Down Plan, including any extensions to the pilot period for the Plan. If the Plan is not either extended or approved as permanent, the prior versions of sections (c), (e)(2), (f), and (g) of Rule 128 will be in effect for UTP Securities, and the provisions of paragraphs (i) through (k) will be null and void.

(a) *Definition*. For purposes of this Rule, the terms of a transaction executed on the Exchange are "clearly erroneous" when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by the Exchange to be clearly erroneous will be removed from the Consolidated Tape.

(b) *Request and Timing of Review*. A member organization that receives an execution on an order that was submitted erroneously to the Exchange for its own or customer account may request that the Exchange review the transaction under this Rule. An Officer of the Exchange or such other employee designee of the Exchange ("Officer") will review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such request for review will be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to member organizations.

(i) *Requests for Review*. Requests for review must be received within thirty (30) minutes of execution time and will include information concerning the time of the transaction(s), security symbol(s), number of shares, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the numerical guidelines set forth in Section (c)(1) of this Rule, the counterparty to the trade will be notified by the Exchange as soon as practicable, but generally within 30 minutes. An Officer may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction will provide, within thirty (30) minutes of the request, any supporting written information. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(ii) *Routed Executions*. Other market centers will generally have an additional 30 minutes from receipt of their participant's timely filing, but no longer than 60 minutes from the time of the execution at issue, to file with the Exchange for review of transactions routed to the Exchange from that market center and executed on the Exchange.

(c) *Thresholds*. Determinations of a clearly erroneous execution will be made as follows:

(1) *Numerical Guidelines*. Subject to the provisions of paragraph (c)(3) below, a transaction executed during the Core Trading Session or the Early Trading Session will be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below. The Reference Price will be equal to the consolidated last sale immediately prior to the execution(s) under review except for: (A) Multi-Stock Events involving twenty or more securities, as described in (c)(2) below; and (B) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest.

Reference Price, Circumstance or Product:	**Core Trading Session Numerical Guidelines (Subject transaction's % difference from the Reference Price:**	**Early Trading Session Numerical Guidelines (Subject transaction's % difference from the Reference Price:**
Between $0.00 and $25.00	10%	20%
Between $25.01 and $50.00	5%	10%
Greater than $50.00	3%	6%
Multi-Stock Event - Filings involving five or	10%	10%

more, but less than twenty, securities whose executions occurred within a period of five minutes or less		
Multi-Stock Event - Filings involving twenty or more securities whose executions occurred within a period of five minutes or less	30%, subject to the terms of paragraph (c)(2) below	30%, subject to the terms of paragraph (c)(2) below
Leveraged ETF/ETN securities	Core Trading Session Numerical Guidelines multiplied by the leverage multiplier (e.g., 2x)	Core Trading Session Numerical Guidelines multiplied by the leverage multiplier (e.g. 2x)

(2) Multi-Stock Events Involving Twenty or More Securities. During Multi-Stock Events involving twenty or more securities the number of affected transactions may be such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, the Exchange may use a Reference Price other than consolidated last sale. To ensure consistent application across market centers when this paragraph is invoked, the Exchange will promptly coordinate with the other market centers to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. The Exchange will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by the Exchange and other markets consistent with this paragraph.

(3) *Additional Factors*. Except in the context of a Multi-Stock Event involving five or more securities, an Officer may also consider additional factors to determine whether an execution is clearly erroneous, including but not limited to, system malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an IPO, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Early Trading Session executions, validity of the consolidated tapes trades and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor will be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(d) *Outlier Transactions*. In the case of an Outlier Transaction, an Officer may at its sole discretion, and on a case-by-case basis, consider requests received pursuant to subsection (b) of this Rule after 30 minutes, but not longer than sixty minutes after the transaction in question, depending on the facts and circumstances surrounding such request.

(1) "Outlier Transaction" means a transaction where:

(A) the execution price of the security is greater than three times the current Numerical Guidelines set forth in Paragraph (c)(1) of this Section, or

(B) the execution price of the security in question is not within the Outlier Transaction parameters set forth in Paragraph (d)(1)(A) of the Section but breaches the 52-week high or 52-week low, the Exchange may consider Additional Factors as outlined in 7.10(c)(3), in determining if the transaction qualifies for further review or if the Exchange shall decline to act.

(e) *Review Procedures*.

(1) *Determination by Officer*. Unless both parties to the disputed transaction agree to withdraw the initial request for review, the transaction under dispute will be reviewed, and a determination will be rendered by the Officer. If the Officer determines that the transaction is not clearly erroneous, the Officer will decline to take any action in connection with the completed trade. In the event that the Officer determines that the transaction in dispute is clearly erroneous, the Officer will declare the transaction null and void. A determination will be made generally within 30 minutes of receipt of the complaint, but in no case later than the start of Core Trading on the following trading day. The parties will be promptly notified of the determination.

(2) *Appeals*. If a member organization affected by a determination made under this Rule so requests within the time permitted below, the Clearly Erroneous Execution Panel ("CEE Panel") will review decisions made by the Officer under this Rule, including whether a clearly erroneous execution occurred and whether the correct determination was made; provided however that the CEE Panel will not review decisions made by an officer under subsection (f) of this Rule if such Officer also determines under subsection (f) of this Rule that the number of the affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest, and further provided that with respect to rulings made in conjunction with one or more additional market centers, the number of the affected transactions is similarly such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest and, hence, are also non-appealable.

(A) The CEE Panel will consist of the Exchange Chief Regulatory Officer ("CRO"), or a designee of the CRO, and representatives from two (2) member organizations.

(B) The Exchange will designate at least ten (10) member organization representatives to be called upon to serve on the CEE Panel as needed. In no case will a CEE Panel include a person related to a party to the trade in question. To the extent reasonably possible, the Exchange will call upon the designated representatives to participate on a CEE Panel on an equally frequent basis.

(3) A request for review on appeal must be made via e-mail within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The CEE Panel will review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received between 3:00 p.m. Eastern Time and the close of trading, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

(4) The CEE Panel may overturn or modify an action taken by the Officer under this Rule. All determinations by the CEE Panel will constitute final action by the Exchange on the matter at issue.

(5) If the CEE Panel votes to uphold the decision made pursuant to Rule 7.10(e)(1), the Exchange will assess a $500.00 fee against the member organization(s) who initiated the request for appeal.

(6) Any determination by an Officer or by the CEE Panel will be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

(f) *System Disruption or Malfunctions*. In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of the Exchange in which the nullification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest exist, the Officer, on his or her own motion, may review such transactions and declare such transactions arising out of the operation of such facilities during such period null and void. In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of Section (c)(1)-(3) of this Rule, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the Officer pursuant to this subsection (f) will be taken within thirty (30) minutes of detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer must be taken by no later than the start of Core Trading on the day following the date of execution(s) under review. Each member organization involved in the transaction will be notified as soon as practicable, and the member organization aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4).

(g) *Officer Acting On Own Motion*. An Officer, acting on its own motion, may review potentially erroneous executions and declare trades null and void or will decline to take any action in connection with the completed trade(s). In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of

Section (c)(1)-(3) of this Rule. Absent extraordinary circumstances, any such action of the Officer will be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer must be taken by no later than the start of Core Trading on trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4) above.

(h) *Trade Nullification for UTP Securities that are Subject of Initial Public Offerings ("IPOs").* Pursuant to SEC Rule 12f-2, as amended, the Exchange may extend unlisted trading privileges to a security that is the subject of an initial public offering when at least one transaction in the subject security has been effected on the national securities exchange or association upon which the security is listed and the transaction has been reported pursuant to an effective transaction reporting plan. A clearly erroneous error may be deemed to have occurred in the opening transaction of the subject security if the execution price of the opening transaction on the Exchange is the lesser of $1.00 or 10% away from the opening price on the listing exchange or association. In such circumstances, the Officer will declare the opening transaction null and void or will decline to take action in connection with the completed trade(s). Clearly erroneous executions of subsequent transactions of the subject security will be reviewed in the same manner as the procedure set forth in (e)(1). Absent extraordinary circumstances, any such action of the Officer pursuant to this subsection (h) will be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer must be taken by no later than the start of Core Trading on the day following the date of execution(s) under review. Each party involved in the transaction will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of subsection (e)(2)-(4) above.

(i) Securities Subject to Limit Up-Limit Down Plan. For purposes of this paragraph, the phrase "Limit Up-Limit Down Plan" or "Plan" means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. The provisions of paragraphs (a) through (h) above and (j) through (k) below will govern all Exchange transactions, including transactions in securities subject to the Plan, other than as set forth in this paragraph (i). If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable price bands disseminated pursuant to the Plan, an Officer of the Exchange or senior level employee designee, acting on his or her own motion or at the request of a third party, will review and declare any such trades null and void. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee will be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of the Core Trading Hours on the trading day following the date on which the execution(s) under review occurred. Each member organization involved in the transaction will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of price bands, the Exchange will make the determination of whether to nullify transactions based on paragraphs (a) through (h) above and (j) through (k) below.

(j) *Multi-Day Event*. A series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the "Event"). An Officer, acting on his or her own motion, will take action to declare all transactions that occurred during the Event null and void not later than the start of trading on the day following the last transaction in the Event. If trading in the security is halted before the valuation error is corrected, an Officer will take action to declare all transactions that occurred during the Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can be taken pursuant to this paragraph with respect to any transactions that have reached settlement date or that result from an initial public offering of a security. To the extent transactions related to an Event occur on one or more other market centers, the Exchange will promptly coordinate with such other market center(s) to ensure consistent treatment of the transactions related to the Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each member organization involved in a transaction subject to this paragraph will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(k) *Trading Halts*. In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, another market center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer, acting on his or her own motion, will nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer will nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph will be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of Core Trading Hours on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each member organization involved in a transaction subject to this paragraph will be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

Rule 7.11. [Reserved]Limit Up—Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility

The provisions of this Rule shall be in effect during a pilot to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility.

(a) **Limit Up-Limit Down Mechanism.**

(1) **Definitions**

(A) "Plan" means the Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934, Exhibit A to Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012), as it may be amended from time to time.

(B) All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the Plan or Exchange rules, as applicable.

(2) **Exchange Participation in the Plan.** The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(3) **Member Organization Compliance**. Member organizations will comply with the applicable provisions of the Plan.

(4) **Exchange Compliance with the Plan**. Exchange systems will not display or trade buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(5) **Repricing and Cancellation of Orders.** Exchange systems will reprice or cancel buy (sell) orders that are priced or could be traded above (below) the Upper (Lower) Price Band.

(A) Incoming Market Orders, Limit Orders designated IOC, and Day ISOs will be traded, or if applicable, routed to an Away Market, to the fullest extent possible, subject to Rule 7.31(a)(1)(B) (Trading Collars for Market Orders) and 7.31(a)(2)(B) (price check for Limit Orders) at prices at or within the Price Bands.

(i) Any quantity of such orders that cannot be traded or routed at prices at or within the Price Bands will be cancelled and the member organization will be notified of the reason for the cancellation.

(ii) If Price Bands move and the working price of a resting Market Order or Day ISO to buy (sell) is above (below) the updated Upper (Lower) Price Band, such orders will be cancelled.

(B) Incoming Limit Orders will be traded, or if applicable, routed to an Away Market, to the fullest extent possible, subject to Rule 7.31(a)(2)(B) (price check for Limit Orders) at prices at or within the Price Bands.

(i) Such order will be assigned a working price, and if applicable, display price, at the Upper (Lower) Price Band, consistent with the terms of the order.

(ii) The repricing of Limit Orders will be applicable to both incoming and resting orders. If the Price Bands move and the limit price of a repriced order is at or within the Price Band, such Limit Order will be adjusted to its limit price.

(C) **Sell Short Orders.** During a Short Sale Price Test, as set forth in Rule 7.16(f), such short sale order priced below the Lower Price Band will be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 7.16(f)(5)(A). Sell short orders that are not eligible to be repriced will be treated as the order types specified in (a)(5)(A) above.

(D) Reserved.

(E) Reserved.

(F) If the midpoint of the PBBO is above (below) the Upper (Lower) Price Band, an MPL Order to buy (sell) will not be repriced or rejected and will not be eligible to trade.

(6) **Routing to Away Markets**. Exchange systems will not route buy (sell) orders to an Away Market displaying a sell (buy) quote that is above (below) the Upper (Lower) Price Band.

(7) **Trading Pause during a Straddle State**. The Exchange may declare a Trading Pause for a NMS Stock listed on the Exchange when (i) the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State; and (ii) trading in that NMS Stock deviates from normal trading characteristics.

(8) After the Exchange opens or reopens an Exchange-listed security but before receiving Price Bands from the SIP under the Plan, the Exchange will calculate Price Bands based on the first Reference Price provided to the SIP and if such Price Bands are not in the MPV for the security, such Price Bands will be rounded to the nearest price at the applicable MPV.

(b) **Re-opening of Trading following a Trading Pause**.

(1) If a primary listing market issues an individual stock trading pause, the Exchange will pause trading in that security until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen the security within 10 minutes of notification of a Trading Pause, the Exchange may resume trading the security.

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Rule 7.16. [Reserved]Short Sales

(a) The terms "long", "short", and "short exempt" will have the meaning given to each by Regulation SHO, 17 CFR 240.200 et seq.

(b) Order Identification. No member organization of the Exchange may, by the use of any facility of the Exchange, execute any sell order unless such order is indicated as either "long", "short", or "short exempt".

(c) Marking Orders. A member organization must mark all sell orders as "long", "short", or "short exempt". Sales should be marked "short", "short exempt", and "long" in accordance with SEC Rule 200(g).

(d) Covering Short Sales. No member organization of the Exchange will lend, or arrange for the loan of any security for delivery to the broker for the purchaser after sale, or will fail to deliver a security on the date delivery is due, if such member organization knows or has reasonable grounds to believe that the sale was effected, or will be effected, pursuant to an order marked "long" unless such member organization knows, or has been informed by the seller (i) that the security sold has been forwarded to the account for which the sale was effected, or (ii) that the seller owns the security sold, that it is then impracticable to deliver such security to such account and that delivery will be made as soon as is possible without undue inconvenience or expense. The provisions of this subsection (d) will not apply to:

(1) The lending of a security by a member organization through the medium of a loan to another member organization; or

(2) Any loan, or arrangement for the loan, of any security, or any failure to deliver any security if, prior to such loan, arrangement, or failure to deliver, the Exchange finds (A) that such sale resulted from a mistake made in good faith; (B) either that the condition of the market at the time the mistake was discovered was such that undue hardship would result from covering the transaction by a "purchase for cash" or that the mistake was made by the seller's broker; and (C) that due diligence was used to ascertain that either (i) the security to be delivered after sale is carried in the account for which the sale was effected, or (ii) such member organization had been informed

that the seller owns the security being sold, and as soon as possible without undue inconvenience or expense, will deliver the security owned to the account for which the sale was effected.

(e) **General**. Short sale executions, order marking and securities lending in connection with short sales by member organizations will be subject to, and comply with, the provisions of Regulation SHO under the Securities Exchange Act of 1934.

(f) **Short Sale Price Test Pursuant to Rule 201 of Regulation SHO**. The following provisions will apply to short sales subject to the provisions of Rule 201 of Regulation SHO:

(1) **Definitions**. For purposes of this Rule, the terms "covered security," "listing market," and "national best bid" ("NBB") will have the same meaning as such terms have in Rule 201 of Regulation SHO.

(2) **Short Sale Price Test**. Except as provided in subparagraphs (f)(6) and (f)(7) below, Exchange systems will not execute or display a short sale order with respect to a covered security at a price that is less than or equal to the current NBB if the price of that security decreases by 10% or more, as determined by the listing market for the security, from the Official Closing Price on the Exchange as of the end of regular trading hours on the prior day ("Trigger Price").

(3) Reserved.

(4) **Duration of Short Sale Price Test**. If the Short Sale Price Test is triggered by the listing market with respect to a covered security, the Short Sale Price Test will remain in effect until the close of trading on the next trading day, as provided for in Regulation SHO Rule 201(b)(1)(ii) (the "Short Sale Period").

(5) **Re-pricing of Orders during Short Sale Period**. During the Short Sale Period, short sale orders will be handled by Exchange systems as follows:

(A) ***Re-pricing of Orders*** **—**Except as provided for in paragraphs (f)(5)(B) - (H) of this Rule, short sale orders with a working price and/or display price equal to or lower than the NBB will have the working price and/or display price adjusted one minimum price increment above the current NBB ("Permitted Price"). The Permitted Price for securities for which the NBB is $1 or more is $.01 above the NBB; the Permitted Price for securities for which the NBB is below $1 is $.0001 above the NBB. To reflect declines in the NBB, the Exchange will continue to adjust the working price of a short sale order at the lowest Permitted Price down to the order's original limit price, or if a Market Order, until the order is filled.

(B) ***Priority 1 and Priority 3 Orders*** **—**Market Orders and orders and reserve interest ranked Priority 3- Non-Display Orders will have a working price adjusted to a Permitted Price and will continuously adjust to a Permitted Price as the NBB moves both up and down. Reserve interest that replenishes the displayed quantity of a Reserve Order will be replenished at a Permitted Price.

(C) ***Pegged Orders and MPL Orders*** —Pegged Orders and MPL Orders, including orders marked buy, sell long and sell short exempt, will use the NBBO instead of the PBBO as the reference price. The working price of MPL Orders will be the mid-point of the NBBO, including situations where the mid-point is less than one minimum price increment above the NBB.

(D) Reserved.

(E) ***IOC Orders*** —Limit Orders designated IOC requiring that all or part of the order be traded immediately will be traded to the extent possible at a Permitted Price and higher and then cancelled, and the working price will not be adjusted.

(F) ***ISO*** —ISOs will be rejected if the limit price is at or below the NBB.

(G) Reserved.

(H) ***Returned Orders*** —If a Short Sale Price Test is triggered after an order has routed, any returned quantity of the order and the order it joins on the Exchange Book will be adjusted to a Permitted Price. If the order that was routed was a Reserve Order, the returned quantity of the order will first join the reserve interest at a Permitted Price before being evaluated for replenishing the display quantity of the Reserve Order.

(6) **Execution of Permissible Orders during the Short Sale Period**. During the Short Sale Period, a short sale order will be executed and displayed without regard to price if, at the time of initial display of the short sale order, the order was at a price above the then current NBB. Except as specifically noted in subparagraph (f)(5), short sale orders that are entered into the Exchange prior to the Short Sale Period but are not displayed, including the reserve interest of a Reserve Order, will be adjusted to a Permitted Price.

(7) **Short Exempt Orders**. During the Short Sale Period, Exchange systems will execute and display orders marked "short exempt" without regard to whether the order is at a Permitted Price. Exchange systems will accept orders marked "short exempt" at any time when such systems are open for order entry, regardless of whether the Short Sale Price Test has been triggered.

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Rule 7.18. Halts

(a) UTP Regulatory Halts. If the UTP Listing Market declares a UTP Regulatory Halt, the Exchange will halt trading in that security until it receives notification from the UTP

Listing Market that the halt or suspension is no longer in effect or as provided for in Rules 80B and 7.11[80C], provided that, during the Exchange's normal trading hours, the Exchange will halt trading until it receives the first Price Band in that security. If a UTP Regulatory Halt was issued for the purpose of dissemination of material news, the Exchange will assume that adequate publication or dissemination has occurred upon the expiration of one hour after initial publication in a national news dissemination service of the information that gave rise to an UTP Regulatory Halt and may, at its discretion, reopen trading at that time, notwithstanding notification from the UTP Listing Market that the halt or suspension is no longer in effect.

(b) [Reserved.]The Exchange will not conduct a Trading Halt Auction in a UTP Security and will process new and existing orders in a UTP Security during a UTP Regulatory Halt as follows:

(1) cancel any unexecuted portion of Market Orders and orders not eligible to trade in the current trading session on the Exchange Book;

(2) maintain all other resting orders in the Exchange Book at their last working price and display price;

(3) accept and process all cancellations;

(4) process a request to cancel and replace as a cancellation without replacing the order;

(5) accept and route new Market Orders and Auction-Only Orders to the primary listing market; and

(6) reject all other incoming order instructions until the security begins trading on the Exchange pursuant to paragraph (a) of this Rule.

(c) Reserved.

(d) Halts in Exchange Traded Products.

(1) Trading Halts for UTP Exchange Traded Products.

(A) [Reserved.]Early Trading Session. If a UTP Exchange Traded Product begins trading on the Exchange in the Early Trading Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value ("IIV") or the value of the underlying index, as applicable, to such UTP Exchange Traded Product, by a major market data vendor, the Exchange may continue to trade the UTP Exchange Traded Product for the remainder of the Early Trading Session.

(B) [Exchange's Normal Trading Hours]Core Trading Session. During the [Exchange's normal trading hours]Core Trading Session, if a temporary interruption occurs in the calculation or wide dissemination of the applicable intraday indicative value or value of the underlying index by a major market data vendor and the listing market halts trading in the UTP Exchange Traded Product, the Exchange, upon notification by the primary listing market of such halt due to such temporary interruption, also shall immediately halt trading in the UTP Exchange Traded Product on the Exchange.

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Section 3. Exchange Trading

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Rule 7.31. [Reserved]Orders and Modifiers

(a) Primary Order Types

(1) Market Order. An unpriced order to buy or sell a stated amount of a security that is to be traded at the best price obtainable without trading through the NBBO. A Market Order must be designated Day and will be rejected on arrival or cancelled if resting if there is no contra-side NBBO. Unexecuted Market Orders are ranked Priority 1 - Market Orders.

(A) On arrival, a Market Order to buy (sell) is assigned a working price of the NBO (NBB) and will trade with all sell (buy) orders on the Exchange Book priced at or below (above) the NBO (NBB) before routing to the NBO (NBB) on an Away Market. The quantity of a Market Order to buy (sell) not traded or routed will remain undisplayed on the Exchange Book at a working price of the NBO (NBB) and be eligible to trade with incoming sell (buy) orders at that price. When the updated NBO (NBB) is displayed, the Market Order to buy (sell) will be assigned a new working price of the updated NBO (NBB) and will trade with all sell (buy) orders on the Exchange Book priced at or below (above) the updated NBO (NBB) before routing to the updated NBO (NBB) on an Away Market. Such assessment will continue at each new contra-side NBBO until the order is filled or a Trading Collar is reached. If the NBBO becomes locked or crossed while the order is held undisplayed, the Market Order to buy (sell) will be assigned a working price of the NBB (NBO).

(B) Trading Collar. During Core Trading Hours, a Market Order to buy (sell) will not trade or route to an Away Market at a price at or above (below) the Trading Collar. Trading Collars will not apply to Limit Orders.

(i) Calculation of the Trading Collar. The Trading Collar will be based on a price that is a specified percentage away from the consolidated last sale price and it will be continuously updated based on market activity. The specified percentage is equal to the corresponding "numerical guideline" percentage set forth in Rule 7.10(c)(1) (Clearly Erroneous Executions) for the Core Trading Session. The upper boundary of the Trading Collar is the consolidated last sale price increased by the specified percentage truncated to the MPV for the security, and the lower boundary is the consolidated last sale price decreased by the specified percentage truncated to the MPV for the security. A halt, suspension, or pause in trading will zero out the Trading Collar values, and the Trading Collar will be recalculated with the first consolidated last sale after trading resumes. If there is no consolidated last sale price on the same trading day, the Exchange will use the last Official Closing Price for the security.

(ii) If a Trading Collar is triggered, the unexecuted quantity of a Market Order to buy (sell) will be held undisplayed and assigned a working price one MPV below (above) the Trading Collar. The Market Order to buy (sell) will be available to trade with incoming orders to sell (buy) at that working price but will not trade with interest on the Exchange Book or route until (i) additional opportunities to trade consistent with the Trading Collar restriction become available, either on the Exchange or an Away Market, or (ii) a new Trading Collar is calculated and the remaining quantity of the order(s) is then able to trade or route at prices consistent with the new Trading Collar and NBBO.

(2) Limit Order. An order to buy or sell a stated amount of a security at a specified price or better. Unless otherwise specified, the working price and the display price of a Limit Order equal the limit price of the order, it is eligible to be routed, and it is ranked Priority 2 - Display Orders.

(A) A marketable Limit Order to buy (sell) will trade with all sell (buy) orders on the Exchange Book priced at or below (above) the PBO (PBB) before routing to the PBO (PBB) and may route to prices higher (lower) than the PBO (PBB) only after trading with orders to sell (buy) on the Exchange Book at each price point. Once no longer marketable, the Limit Order will be ranked and displayed on the Exchange Book.

(B) Limit Order Price Protection. A Limit Order to buy (sell) will be rejected if it is priced at or above (below) a specified percentage away from the NBO (NBB). The specified percentage is equal to the corresponding "numerical guideline" percentage set forth in paragraph (c)(1) of Rule 7.10 (Clearly Erroneous Executions) for the Core Trading Session. The Limit Order Price Protection will not be applied to an incoming Limit Order to buy (sell) if there is no NBO (NBB). Limit Order Price Protection will be applied when an order is eligible to trade. A Limit Order entered before the Core Trading Session that becomes eligible to trade in the Core Trading Session will become subject to Limit Order Price Protection when the Core Trading Session begins. Limit Order Price Protection for both buy and sell orders that are not in the minimum price variation ("MPV") for the security, as defined in Rule 7.6, will be rounded down to the nearest price at the applicable MPV.

(C) If a BB (BO) that is locked or crossed by an Away Market PBO (PBB) is cancelled, executed or routed and the next best-priced resting Limit Order(s) on the Exchange Book that would become the new BB (BO) would have a display price that would lock or cross the PBO (PBB), such Limit Order(s) to buy (sell) will be assigned a display price one MPV below (above) the PBO (PBB) and a working price equal to the PBO (PBB). When the PBO (PBB) is updated, the Limit Order(s) to buy (sell) will be repriced consistent with the original terms of the order. If a Day ISO to buy (sell) arrives before the PBO (PBB) is updated and would result in at least a round lot being displayed as a new BB (BO), such re-priced Limit Order(s) to buy (sell) will be repriced to the lower (higher) of the display price of the Day ISO or the original price of the Limit Order(s). If the arriving Day ISO to buy (sell) would not result in at least a round lot being displayed, the Day ISO will be assigned a display price one MPV below (above) the PBO (PBB) and a working price equal to the PBO (PBB).

(b) Time in Force Modifiers

(1) Day Modifier. Any order to buy or sell designated Day, if not traded, will expire at the end of the designated session on the day on which it was entered. A Day Modifier cannot be combined with any other Time in Force Modifier.

(2) Immediate-or-Cancel ("IOC") Modifier. A Limit Order may be designated IOC or Routable IOC, as described in paragraphs (A) and (B) of this paragraph (b)(2). The IOC Modifier will override any posting or routing instructions of orders that include the IOC Modifier.

(A) Limit IOC Order. A Limit Order designated IOC is to be traded in whole or in part on the Exchange as soon as such order is received, and the quantity not so traded is cancelled. A Limit IOC Order does not route.

(B) Limit Routable IOC Order. A Limit Order designated Routable IOC is to be traded in whole or in part on the Exchange as soon as such order is received, and the quantity not so traded routed to Away Market(s). Any quantity not immediately traded either on the Exchange or an Away Market will be cancelled.

(c) Auction-Only Order. A Limit or Market Order that is only to be routed pursuant to Rule 7.34.

(1) A Limit-on-Open Order ("LOO Order"). A LOO Order is a Limit Order that is to be traded only during an opening or re-opening auction.

(2) A Market-on-Open Order ("MOO Order"). A MOO Order is a Market Order that is to be traded only during an opening or re-opening auction.

(3) Limit-on-Close Order ("LOC Order"). A LOC Order is a Limit Order that is to be traded only during a closing auction.

(4) Market-on-Close Order ("MOC Order"). A MOC Order is a Market Order that is to be traded only during a closing auction.

(d) Orders with a Conditional or Undisplayed Price and/or Size

(1) Reserve Order. A Limit Order with a quantity of the size displayed and with a reserve quantity of the size ("reserve interest") that is not displayed. The displayed quantity of a Reserve Order is ranked Priority 2 - Display Orders and the reserve interest is ranked Priority 3 - Non-Display Orders. Both the display quantity and the reserve interest of an arriving marketable Reserve Order are eligible to trade with resting interest in the Exchange Book or route to Away Markets.

(A) On entry, the display quantity of a Reserve Order must be entered in round lots. The displayed portion of a Reserve Order will be replenished following any execution. The Exchange will display the full size of the Reserve Order when the unfilled quantity is less than the minimum display size for the order.

(B) Each time a Reserve Order is replenished from reserve interest, a new working time is assigned to the replenished quantity of the Reserve Order, while the reserve interest retains the working time of original order entry.

(C) A Reserve Order must be designated Day and may be combined with the following orders only: Limit Non-Routable Order or Primary Pegged Order.

(2) Limit Non-Displayed Order. A Limit Order that is not displayed and does not route. A Limit Non-Displayed Order is ranked Priority 3 - Non-Display Orders. A Limit Non-Displayed Order must be designated Day and is valid for any trading session.

(A) The working price of a Limit Non-Displayed Order will be adjusted both on arrival and when resting on the Exchange Book based on the limit price of the order. If the limit price of a Limit Non-Display Order to buy (sell) is at or below (above) the PBO (PBB), it will have a working price equal to the limit price. If the limit price of a Limit Non-Displayed Order to buy (sell) is above (below) the PBO (PBB), it will have a working price equal to the PBO (PBB).

(3) Mid-Point Liquidity Order ("MPL Order"). A Limit Order that is not displayed and does not route, with a working price at the midpoint of the PBBO. An MPL Order is ranked Priority 3- Non-Display Orders. MPL Orders are valid for any session.

(A) An MPL Order to buy (sell) must be designated with a limit price in the MPV for the security and is eligible to trade only if the midpoint of the PBBO is at or below (above) the limit price of the order.

(B) If there is no PBB, PBO, or the PBBO is locked or crossed, both an arriving and resting MPL Order will wait for a PBBO that is not locked or crossed before being eligible to trade. If a resting MPL Order(s) to buy (sell) trades with MPL Order(s) to sell (buy) after there is an unlocked or uncrossed PBBO, the MPL Order with the later working time will be the liquidity-removing order.

(C) An Aggressing MPL Order to buy (sell) will trade with resting orders to sell (buy) with a working price at or below (above) the midpoint of the PBBO at the working price of the resting orders. Resting MPL Orders to buy (sell) will trade at the midpoint of the PBBO against all Aggressing Orders to sell (buy) priced at or below (above) the midpoint of the PBBO.

(D) An MPL Order may be designated IOC ("MPL-IOC Order"). Subject to such IOC instructions, an MPL-IOC Order will follow the same trading and priority rules as an MPL Order, except that an MPL-IOC Order will be rejected if (i) the order entry size is less than one round lot, or (ii) there is no PBBO or the PBBO is locked or crossed. An MPL-IOC Order cannot be designated ALO.

(E) An MPL Order may be designated with an ALO Modifier ("MPL-ALO Order").

(i) An Aggressing MPL-ALO Order to buy (sell) will trade with resting orders to sell (buy) with a working price below (above) the midpoint of the PBBO at the working price of the resting orders, but will not trade with resting orders to sell (buy) priced at the midpoint of the PBBO.

(ii) If an MPL-ALO Order to buy (sell) cannot trade with a same-priced resting order to sell (buy), a subsequently arriving order to sell (buy) eligible to trade at the midpoint will trade ahead of a resting order to sell (buy) that is not displayed at that price. If such resting order to sell (buy) is displayed, the MPL-ALO Order to buy (sell) will not be eligible to trade at that price.

(e) Orders with Instructions Not to Route

(1) Limit Non-Routable Order. A Limit Order that does not route.

(A) A Limit Non-Routable Order to buy (sell) that, at the time of entry and after trading with any sell (buy) orders in the Exchange Book priced at or below (above) the PBO (PBB), would create a violation of Rule 610(d) of Regulation NMS by locking or crossing the protected quotation of an Away Market or would cause a violation of Rule 611 of Regulation NMS, will be priced as follows:

(i) It will have a working price of the PBO (PBB) of an Away Market and a display price one MPV below (above) that PBO (PBB).

(ii) If the PBO (PBB) of an Away Market re-prices higher (lower), it will be assigned a new working price of the updated PBO (PBB) and a new display price of one MPV below (above) that updated PBO (PBB).

(iii) If the PBO (PBB) of an Away Market re-prices to be equal to or lower (higher) than its last display price, its display price will not change, but the working price will be adjusted to be equal to its display price.

(iv) If its limit price no longer locks or crosses the PBO (PBB) of an Away Market, it will be assigned a working price and display price equal to its limit price and will not be assigned a new working price or display price based on changes to the PBO (PBB).

(B) A Limit Non-Routable Order with a working price different from the display price is ranked Priority 3-Non-Display Orders and a Limit Non-Routable Order with a working price equal to the display price is ranked Priority 2-Display Orders.

(2) ALO Order. A Limit Non-Routable Order that, except as specified below, will not remove liquidity from the Exchange Book. Upon entry, an ALO Order must have a minimum of one displayed round lot.

(A) Reserved.

(B) An ALO Order to buy (sell) that, at the time of entry, is marketable against an order of any size to sell (buy) on the Exchange Book or would lock or cross a protected quotation in violation of Rule 610(d) of Regulation NMS, will be priced or trade, or both as follows:

(i) If there are no displayed or non-displayed orders to sell (buy) on the Exchange Book priced equal to or below (above) the PBO (PBB), the ALO Order to buy (sell) will have a working price equal to the PBO (PBB) and a display price one MPV below (above) the PBO (PBB).

(ii) If the limit price of the ALO Order to buy (sell) crosses the working price of any displayed or non-displayed order on the Exchange Book priced equal to or below (above) the PBO (PBB), it will trade as the liquidity taker with such order(s). Any untraded quantity of the ALO Order will have a working price equal to the PBO (PBB) and a display price one MPV below (above) the PBO (PBB).

(iii) If the limit price of the ALO Order to buy (sell) locks the display price of any order ranked Priority 2 - Display Orders on the Exchange Book priced equal to or below (above) the PBO (PBB), it will be assigned a working price and display price one MPV below (above) the price of the displayed order on the Exchange Book.

(iv) If the limit price of the ALO Order to buy (sell) locks the working price of any order ranked Priority 3 - Non-Display Orders on the Exchange Book priced equal to or below (above) the PBO (PBB), it will be assigned a working price equal to the PBO (PBB) and a display price one MPV below (above) the PBO (PBB), provided that,

(a) if there are any displayed orders at the working price of an order to sell (buy) ranked Priority 3 - Non-Display Orders, the ALO Order to buy (sell) will be priced under paragraph (e)(2)(B)(iii) of this Rule; and

(v) An ALO Order to buy (sell) will not be assigned a working price or display price above (below) the limit price of such order.

(C) Once resting on the Exchange Book, ALO Orders will be re-priced or trade, or both, as follows:

(i) If the order(s) to sell (buy) ranked Priority 2 - Display Orders or PBO (PBB) re-prices higher (lower), an ALO Order to buy (sell) will trade or be priced, or both, consistent with paragraphs (e)(2)(B)(i) - (iv) of this Rule.

(ii) If the PBO (PBB) re-prices lower (higher) to be equal to or lower (higher) than its last display price or if its limit price no longer locks or crosses the PBO (PBB), an ALO Order to buy (sell) will be priced pursuant to paragraphs (e)(1)(A)(iii) and (iv) of this Rule.

(D) An ALO Order will not trigger a contra-side MPL Order to trade.

(3) Intermarket Sweep Order ("ISO"). A Limit Order that does not route and meets the requirements of Rule 600(b)(30) of Regulation NMS. ISOs are not available to Floor brokers.

(A) An ISO may trade through a protected bid or offer, and will not be rejected or cancelled if it would lock, cross, or be marketable against an Away Market provided that it meets the following requirements:

(i) It is identified as an ISO in the manner prescribed by the Exchange; and

(ii) Simultaneously with the routing of an ISO to the Exchange, the member organization routes one or more additional Limit Orders, as necessary, to trade against the full displayed size of any protected bids (for sell orders) or protected offers (for buy orders) on Away Markets. These additional routed orders must be identified as ISO.

(B) An ISO designated IOC ("IOC ISO") will be immediately traded with contraside interest in the Exchange Book up to its full size and limit price and the quantity not so traded will be immediately and automatically cancelled.

(C) An ISO designated Day ("Day ISO"), if marketable on arrival, will be immediately traded with contra-side interest in the Exchange Book up to its full size and limit price. Any untraded quantity of a Day ISO will be displayed at its limit price and may lock or cross a protected quotation that was displayed at the time of arrival of the Day ISO.

(D) A Day ISO may be designated with an ALO Modifier ("Day ISO ALO") and must be entered with a minimum of one displayed round lot. An arriving Day ISO ALO to buy (sell) may trade through or lock or cross a protected quotation that was displayed at the time of arrival of the Day ISO ALO, and will be priced or trade, or both, as follows:

(i) If the limit price of the Day ISO ALO to buy (sell) crosses the working price of any displayed or non-displayed order on the Exchange Book, it will trade as the liquidity taker with such order(s). Any untraded quantity of the Day ISO ALO will have a working price and display price equal to its limit price.

(ii) If the limit price of the Day ISO ALO to buy (sell) locks the display price of any order ranked Priority 2 - Display Orders on the Exchange Book, it will be assigned a working price and display price one MPV below (above) the price of the displayed order on the Exchange Book.

(iii) If the limit price of the Day ISO ALO Order to buy (sell) locks the working price of any order ranked Priority 3 - Non-Display Orders on the Exchange Book, it will be assigned a working price and display price equal to the limit price of the order, provided that,

(a) if there are any displayed orders at the working price of an order to sell (buy) ranked Priority 3 - Non-Display Orders, the Day ISO ALO to buy (sell) will be priced under paragraph (e)(3)(D)(ii) of this Rule; and

(iv) After being displayed, a Day ISO ALO will be re-priced and re-displayed or trade, or both, based on changes to orders ranked Priority 2 - Display Orders or the PBO (PBB) consistent with paragraphs (e)(2)(C)(i) and (ii) of this Rule.

(f) Reserved

(g) Reserved.

(h) Pegged Orders. A Limit Order that does not route with a working price that is pegged to a dynamic reference price. If the designated reference price is higher (lower) than the limit price of a Pegged Order to buy (sell), the working price will be the limit price of the order. Pegged Orders are available only to Floor brokers.

(1) Reserved.

(2) Primary Pegged Order. A Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), with no offset allowed. A Primary Pegged Order to buy (sell) will be rejected on arrival, or cancelled when resting, if there is no PBB (PBO) against which to peg.

(A) A Primary Pegged Order must include a minimum of one round lot displayed. The working price of a Primary Pegged Order equals the display price and the display quantity is ranked Priority 2 - Display Orders and the reserve interest is ranked Priority 3 - Non-Display Orders.

(B) A Primary Pegged Order will be rejected if the PBBO is locked or crossed. If after arrival, the PBBO becomes locked or crossed, the Primary Pegged Order will wait for a PBBO that is not locked or crossed before the working price is adjusted, but remains eligible to trade at its current working price.

(3) Reserved.

(4) Non-Displayed Primary Pegged Order. A Pegged Order to buy (sell) with a working price that is pegged to the PBB (PBO), with no offset allowed, that is not displayed. A Non-Displayed Primary Pegged Order to buy (sell) will be rejected on arrival, or cancelled when resting, if there is no PBB (PBO) against which to peg.

(A) Non-Displayed Primary Pegged Orders are ranked Priority 3 – Non-Display Orders.

(B) If the PBBO is locked or crossed, both an arriving and resting Non-Displayed Primary Pegged Order will wait for a PBBO that is not locked or crossed before the working price is adjusted and the order becomes eligible to trade.

(i) Additional Order Instructions and Modifiers:

(1) Reserved.

(2) Self Trade Prevention Modifier ("STP"). Any incoming order to buy (sell) designated with an STP modifier will be prevented from trading with a resting order to sell (buy) also designated with an STP modifier and from the same Client ID, as designated by the member organization. The Exchange will evaluate the interaction between two orders marked with STP modifiers from the same Client ID consistent with the allocation logic applicable to the priority category of the resting order. If resting orders in a priority category do not have an STP modifier from the same Client ID, the incoming order designated with an STP modifier will trade with resting orders in that priority category before being evaluated for STP with resting orders in the next priority category. The STP modifier on the incoming order controls the interaction between two orders marked with STP modifiers.

(A) STP Cancel Newest ("STPN"). An incoming order to buy (sell) marked with the STPN modifier will not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID and the incoming order will cancel.

(i) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the incoming order marked with the STPN modifier will be cancelled back to the originating member organization and the resting order marked with one of the STP modifiers will remain on the Exchange Book.

(ii) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity and would have been considered for an allocation, none of the resting orders eligible for a parity allocation in that priority category will receive an allocation and the incoming order marked with the STPN modifier will be cancelled back.

(B) STP Cancel Oldest ("STPO"). An incoming order to buy (sell) marked with the STPO modifier will not trade with resting interest to sell (buy) marked with any of the STP modifiers from the same Client ID and the resting order will cancel.

(i) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on price-time priority, the resting order marked with the STP modifier will be cancelled back to the originating member organization. The incoming order marked with the STPO modifier will remain on the Exchange Book.

(ii) If a resting order with an STP modifier from the same Client ID is in a priority category that allocates orders on parity, all resting orders with the STP modifier with the same Client ID in that priority category that would have been considered for an allocation will not be eligible for a parity allocation and will be cancelled. The incoming order marked with the STPO modifier will be eligible to trade on parity with orders in that priority category that do not have a matching STP modifier. Resting orders in that priority category with an STP modifier from the same Client ID that would not have been eligible for a parity allocation will remain on the Exchange Book.

(3) Minimum Trade Size (“MTS”) Modifier. A Limit IOC Order or MPL Order may be designated with an MTS Modifier.

(A) An MTS must be a minimum of a round lot. An order with an MTS Modifier will be rejected if the MTS is less than a round lot or if the MTS is larger than the size of the order.

(B) On arrival, an order to buy (sell) with an MTS Modifier will trade with sell (buy) orders in the Exchange Book that in the aggregate meet such order’s MTS.

(C) An order with an MTS Modifier that is designated Day and cannot be satisfied on arrival will not trade and will be ranked in the Exchange Book. In such case, the order to buy (sell) with an MTS that is ranked in the Exchange Book will not be eligible to trade:

(i) at a price equal to or above (below) any sell (buy) orders that are displayed and that have a working price equal to or below (above) the working price of such order with an MTS Modifier; or

(ii) at a price above (below) any sell (buy) orders that are not displayed and that have a working price below (above) the working price of such order with an MTS Modifier.

(D) An order with an MTS Modifier that is designated IOC and cannot be immediately satisfied will be cancelled in its entirety.

(E) A resting order to buy (sell) with an MTS Modifier will trade with individual sell (buy) orders that each meets the MTS.

(i) If an Aggressing Order to sell (buy) does not meet the MTS of the resting order to buy (sell) with an MTS Modifier, that Aggressing Order will not trade with and may trade through such order with an MTS Modifier.

(ii) If a resting non-displayed sell (buy) order did not meet the MTS of a same-priced resting order to buy (sell) with an MTS Modifier, a subsequently arriving sell (buy) order that meets the MTS will trade ahead of such resting non-displayed sell (buy) order at that price.

(F) A resting MPL Order to buy (sell) with an MTS Modifier that becomes an Aggressing Order will trade with sell (buy) orders as follows:

(i) when trading with sell (buy) orders in a priority category that allocates orders on price-time priority, if a sell (buy) order does not meet the MTS, the MPL Order with an MTS Modifier will not trade and will be ranked in the Exchange Book.

(ii) when trading with sell (buy) orders in a priority category that allocates orders on parity, if at least one sell (buy) order that would have been considered for an allocation does not meet the MTS, none of the sell (buy) orders in that category will trade and the MPL Order with an MTS Modifier will be ranked in the Exchange Book.

(G) A resting order with an MTS Modifier will be cancelled if it is traded in part or reduced in size and the remaining quantity is less than such order's MTS.

Commentary:

.01 Order Type and Modifier Combinations. Member organizations may combine order types and modifiers, unless the terms of the proposed combination are inconsistent.

.02 If two order types are combined that include instructions both for operation on arrival and for how the order operates while resting on the Exchange Book, the instructions governing functionality while incoming will be operative upon arrival. Functionality governing how the order operates while resting on the Exchange Book will govern any remaining balance of the order that is not executed upon arrival.

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Rule 7.34. [Reserved]Trading Sessions

(a) *Sessions.* The Exchange will have two trading sessions each day the Exchange is open for business unless otherwise determined by the Exchange:

(1) *Early Trading Session.* The Early Trading Session will begin at 7:00 a.m. Eastern Time and conclude at the commencement of the Core Trading Session. The Exchange will begin accepting orders 30 minutes before the Early Trading Session begins.

(2) *Core Trading Session.* The Core Trading Session will begin for each security at 9:30 a.m. Eastern Time and end at the conclusion of Core Trading Hours.

(b) *Order Designation.*

(1) Unless otherwise specified in paragraph (c) of this Rule, an order entered before or during the Early or Core Trading Session will be deemed designated for the Early Trading Session and the Core Trading Session.

(2) An order without a time-in-force designation will be deemed designated with a day time-in-force modifier.

(c) *Orders Permitted in Each Session.*

(1) Early Trading Session. Unless otherwise specified in paragraphs (c)(1)(A) - (C), orders and modifiers defined in Rule 7.31 are eligible to participate in the Early Trading Session.

(A) Pegged Orders are not eligible to participate in the Early Trading Session. Non-Displayed Primary Pegged Orders entered before the Core Trading Session will be rejected. Primary Pegged Orders entered before the Core Trading Session will be accepted but will not be eligible to trade until the Core Trading Session begins.

(B) Limit Orders designated IOC will be rejected if entered before the Early Trading Session begins.

(C) Market Orders and Auction-Only Orders in UTP Securities entered before the Core Trading Session begins will be routed to the primary listing market on arrival. Any order routed directly to the primary listing market on arrival will be cancelled if that market is not accepting orders.

(2) Core Trading Session. Unless otherwise specified in paragraphs (c)(2)(A) - (B), all orders and modifiers defined in Rule 7.31 are eligible to participate in the Core Trading Session.

(A) Market Orders in UTP Securities will be routed to the primary listing market until the first opening print of any size on the primary listing market or 10:00 a.m. Eastern Time, whichever is earlier.

(B) Auction-Only Orders in UTP Securities will be accepted and routed directly to the primary listing market.

(d) *Customer Disclosures.* No member organization may accept an order from a non-member organization for execution in the Early Trading Session without disclosing to such non-member organization that:

(1) Limit Orders are the only orders that are eligible for execution during the Early Trading Sessions;

(2) An order must be designated specifically for trading in the Early Trading Session to be eligible for trading in the Early Trading Session; and

(3) Extended hours trading involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The absence of an updated underlying index value or intraday indicative value is an additional trading risk in extended hours for Exchange Traded Products.

The disclosures required pursuant to this subparagraph (d)(3) may take the following form or such other form as provides substantially similar information:

(1) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

(2) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

(3) Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.

(4) Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

(5) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(6) Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

(7) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain Exchange Traded Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the Early Trading Session, an investor who is unable to calculate implied values for certain Exchange Traded Products in those sessions may be at a disadvantage to market professionals.

(e) Trades on the Exchange executed and reported outside of the Core Trading Session are designated as .T trades.

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Rule 7.36. [Reserved]Order Ranking and Display

(a) Definitions for purposes of Rule 7P Equities Trading:

(1) "Display price" means the price at which a Limit Order is displayed, which may be different from the limit price or working price of the order.

(2) "Limit price" means the highest (lowest) specified price at which a Limit Order to buy (sell) is eligible to trade.

(3) "Working price" means the price at which an order is eligible to trade at any given time, which may be different from the limit price or display price of the order.

(4) "Working time" means the effective time sequence assigned to an order for purposes of determining its priority ranking.

(5) “Participant” means for purposes of parity allocation, a Floor broker trading license (each, a “Floor Broker Participant”) or orders collectively represented in the Exchange Book that have not been entered by a Floor broker (“Book Participant”). An order entered by a Floor broker is eligible to be included in the Floor Broker Participant if:

(A) such order is entered by a Floor broker while on the Trading Floor;

(B) such order is not entered for the account of the member organization, the account of an associated person, or an account with respect to which the member, member organization, or an associated person exercises investment discretion, unless such order is entered pursuant to Rule 134(d) – (j); and

(C) the member organization with which such Floor broker is associated engages in a Floor broker business in Exchange-listed securities.

(6) “Aggressing Order” means a buy (sell) order that is or becomes marketable against sell (buy) interest on the Exchange Book. A resting order may become an Aggressing Order if its working price changes, if the PBBO or NBBO is updated, because of changes to other orders on the Exchange Book, or when processing inbound messages.

(b) *Display*. The Exchange displays all non-marketable Limit Orders, unless the order or modifier instruction specifies that all or a portion of the order is not to be displayed.

(1) An order is considered displayed for ranking purposes if the price, side, and size of the order are disseminated via a market data feed. Odd-lot sized Limit Orders and the displayed portion of Reserve Orders are considered displayed for ranking purposes.

(2) All non-marketable displayed Limit Orders will be displayed on an anonymous basis.

(3) The best-ranked non-marketable displayed Limit Order(s) to buy and the best ranked non-marketable displayed Limit Order(s) to sell in the Exchange Book and the aggregate displayed size of such orders associated with such prices will be collected and made available to quotation vendors for dissemination pursuant to the requirements of Rule 602 of Regulation NMS under the Exchange Act. If non-marketable odd-lot sized orders at multiple price levels can be aggregated to equal at least a round lot, such odd-lot sized orders will be displayed as the best ranked displayed orders to sell (buy) at the least aggressive price at which such odd-lot sized orders can be aggregated to equal at least a round lot.

(c) *Ranking*. All non-marketable orders are ranked and maintained in the Exchange Book in the following manner: (1) price; (2) priority category; (3) time; and (4) ranking restrictions applicable to an order or modifier condition.

(d) *Price*. All orders are ranked based on the working price of an order. Orders to buy are ranked from highest working price to lowest working price. Orders to sell are ranked from lowest working price to highest working price. If the working price of an order changes, the price priority of the order changes.

(e) *Priority Categories*. At each price point, all orders are assigned a priority category. If at a price point there are no orders in a priority category, the next priority category has first priority.

(1) Priority 1 - Market Orders. Unexecuted Market Orders have priority over all other same-side orders with the same working price.

(2) Priority 2 - Display Orders. Non-marketable Limit Orders with a displayed working price have second priority.

(3) Priority 3 - Non-Display Orders. Non-marketable Limit Orders for which the working price is not displayed, including reserve interest of Reserve Orders, have third priority.

(f) *Time*. Within each priority category, orders are ranked based on time priority.

(1) An order is assigned a working time based on its original entry time, which is the time when an order is first placed in the Exchange Book.

(A) An order that is fully routed to an Away Market on arrival is not assigned a working time unless and until any unexecuted portion of the order returns to the Exchange Book.

(B) For an order that is partially routed to an Away Market on arrival, the portion that is not routed is assigned a working time. Other than as provided for in Rule 7.38(b)(2), if any unexecuted portion of the order returns to the Exchange Book and joins any remaining resting portion of the original order, the returned portion of the order is assigned the same working time as the resting portion of the order. If the resting portion of the original order has already executed and any unexecuted portion of the order returns to the Exchange Book, the returned portion of the order is assigned a new working time.

(2) An order is assigned a new working time any time its working price changes.

(3) An order is assigned a new working time if the size of such order increases. An order retains its working time if the size of the order decreases.

(4) An order retains its working time if the order marking is changed from: (A) sell to sell short; (B) sell to sell short exempt; (C) sell short to sell; (D) sell short to sell short exempt; (E) sell short exempt to sell; and (F) sell short exempt to sell short.

(g) *Ranking Restrictions*. The Exchange will enforce ranking restrictions applicable to specific order or modifier instructions as provided for in Rules 7.31.

(h) *Setter Priority*. Setter Priority will be assigned to an order ranked Priority 2 – Display Orders with a display quantity of at least a round lot if such order (i) establishes a new BBO and (ii) either establishes a new NBBO or joins an Away Market NBBO. Only one order is eligible for Setter Priority at each price.

(1) An order will be evaluated for Setter Priority:

(A) on arrival, which includes when any portion of an order that has routed returns unexecuted;

(B) when it becomes eligible to trade for the first time upon transitioning to a new trading session.

(2) An order retains its Setter Priority:

(A) if it is decremented to any size because it has either traded or been partially cancelled;

(B) if joined at that price by a resting order that is re-priced and assigned a display price equal to the display price of the order with Setter Priority;

(C) if the BBO or NBBO changes;

(D) if the order marking changes from (A) sell to sell short, (B) sell to sell short exempt, (C) sell short to sell, (D) sell short to sell short exempt, (E) sell short exempt to sell, and (F) sell short exempt to sell short; or

(E) when transitioning from one trading session to another.

(3) An order loses its Setter Priority:

(A) if trading in the security is halted, suspended, or paused;

(B) if such order is assigned a new display price; or

(C) if such order is less than a round lot and is assigned a new working time pursuant to Rule 7.38(b)(2).

(4) Setter Priority is not available:

(A) for any portion of an order that is ranked Priority 3 – Non-Display Orders; and

(B) when the reserve quantity replenishes the display quantity of a Reserve Order.

Rule 7.37. [Reserved]Order Execution and Routing

(a) *Order Execution*. An Aggressing Order will be matched for execution against contra-side orders in the Exchange Book as provided for in paragraph (b) of this Rule, subject to the following:

(1) Orders that are routed to an Away Market on arrival will not be assigned a working time or matched for execution on the Exchange Book.

(2) Unless an order qualifies for an exception from the Order Protection Rule in Rule 611 of Regulation NMS, an order will not trade at prices that trade through a protected quotation.

(3) Limit Orders will be executed at prices that are equal to or better than the PBBO.

(4) Market Orders will be executed at prices that are equal to or better than the NBBO.

(b) *Allocation.*

(1) At each price, an Aggressing Order will be allocated against contra-side orders as follows:

(A) Orders ranked Priority 1 – Market Orders will trade first based on time.

(B) Next, an order with Setter Priority that has a display price and working price equal to the BBO will receive 15% of the remaining quantity of the Aggressing Order, rounded up to the next round lot size or the remaining displayed quantity of the order with Setter Priority, whichever is lower. An order with Setter Priority is eligible for allocation under this subparagraph if the BBO is no longer the same as the NBBO.

(C) Next, orders ranked Priority 2 – Displayed Orders will be allocated on parity by Participant. Any remaining quantity of an order with Setter Priority is eligible to participate in this parity allocation, consistent with the allocation wheel position of the Participant that entered the order with Setter Priority.

(D) Next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS Modifier, will be allocated on parity by Participant.

(E) Next, MPL Orders with an MTS Modifier will be allocated based on MTS size (smallest to largest) and time.

(2) *Allocation Wheel.* At each price on each side of the market, the Exchange maintains an "allocation wheel" of Participants with orders ranked Priority 2 – Display Orders and a separate allocation wheel of Participants with orders ranked Priority 3 – Non-Display Orders.

(A) The Participant that enters the first order in a priority category at a price will establish the first position on the applicable allocation wheel for that price. If an allocation wheel no longer has any orders at a price, the next Participant to enter an order at that price will establish a new allocation wheel.

(B) Additional Participants are added to an allocation wheel based on time of entry of the first order entered by a Participant.

(C) Once a Participant has established a position on an allocation wheel at a price, any additional orders from that Participant at the same price will join that position on an allocation wheel.

(D) If an order receives a new working time or is cancelled and replaced at the same working price, the Participant that entered such order will be moved to the last position on an allocation wheel if that Participant has no other orders at that price.

(E) A Participant will be removed from an allocation wheel if (i) all orders from that Participant at that price are executed or cancelled in full, (ii) the working price of an order changes and that Participant has no other orders at that price, or (iii) the priority category of the order changes and that Participant has no other orders at that price.

(F) If multiple orders are assigned new working prices at the same time, the Participants representing those orders will be added to an allocation wheel at the new working price in time sequence relative to one another.

(3) *Parity Pointer*. If there is more than one Participant on an allocation wheel, the Exchange maintains a "pointer" that identifies which Participant is next to be evaluated for a parity allocation. The Participant with the pointer is considered the

first position. The Setter Priority allocation in paragraph (b)(1)(B) of this Rule does not move the pointer.

(4) *Parity Allocation.* An Aggressing Order will be allocated by round lots. The Participant with the pointer will be allocated a round lot and then the pointer will advance to the next Participant. The pointer will continue to advance on an allocation wheel until the Aggressing Order is fully allocated or all Participants in that priority category are exhausted.

(A) Not all Participants on an allocation wheel are guaranteed to receive an allocation. The size of an allocation to a Participant will be based on which Participant had the pointer at the beginning of the allocation, the size of the Aggressing Order, the number of Participants in the allocation, and the size of the orders entered by Participants.

(B) If the last Participant to receive an allocation is allocated an odd lot, the pointer will stay with that Participant.

(C) If the Aggressing Order is an odd lot, the Participant with the pointer will be allocated the full quantity of the order, unless that Participant does not have an order that could satisfy the Aggressing Order in full, in which case, the pointer will move to the next Participant on an allocation wheel.

(D) A Participant that has an order or orders equaling less than a round lot will be eligible for a parity allocation up to the size of the order(s) represented by that Participant.

(5) *Book Participant Allocation*. An allocation to the Book Participant will be allocated to orders that comprise the Book Participant by working time.

(6) *Floor Broker Participant Allocation.* An allocation to a Floor Broker Participant ("Floor Broker Allocation") will be allocated to orders with unique working times that comprise the Floor Broker Participant ("Floor Broker Orders") on parity. The parity allocation within a Floor Broker Allocation will be processed as described in paragraphs (b)(2) – (4) of this Rule, with the Floor Broker Allocation processed as the "Aggressing Order" and each Floor Broker Order processed as a "Participant."

(7) Reserved.

(8) If resting orders on one side of the market are repriced and become marketable against contra-side orders on the Exchange Book, the Exchange will rank the re-priced orders as described in Rule 7.36(c) and trade them as Aggressing Orders consistent with their ranking.

(9) If resting orders on both sides of the market are repriced and become marketable against one another, the Exchange will rank the orders on each side of the market as described in Rule 7.36(c) and trade them as follows:

(A) The best-ranked order will establish the price at which the marketable orders will trade, provided that if the marketable orders include MPL orders, orders will trade at the midpoint of the PBBO.

(B) The next best-ranked order will trade as the Aggressing Order with contra-side orders at that price pursuant to paragraph (b)(1) of this Rule;

(C) When an Aggressing Order is fully executed, the next-best ranked order will trade as the Aggressing Order with contra-side orders at that price pursuant to paragraph (b)(1) of this Rule;

(D) Orders on both side of the market will continue to trade as the Aggressing Order until all marketable orders are executed.

(c) *Routing.* Unless an order has an instruction not to route, after being matched for execution with any contra-side orders in the Exchange Book pursuant to paragraph (a) of this Rule, marketable orders will be routed to Away Market(s).

(1) An order that cannot meet the pricing parameters of paragraph (a) of this Rule may be routed to Away Market(s) before being matched for execution against contra-side orders in the Exchange Book.

(2) If an order with an instruction not to route would trade through or lock or cross a protected quotation and is not eligible for an exception to Rule 610 or 611 of Regulation NMS, it will cancel, re-price, or be held undisplayed on the Exchange Book, as provided for in Rule 7.31.

(3) Reserved.

(4) Limit Orders that are routed to Away Market(s) may be routed to more than one price level, up (down) to the limit price of an order to buy (sell).

(5) Except for orders routed to the primary listing market on arrival pursuant to Rule 7.34, orders routed to Away Market(s) will be sent as IOC ISOs.

(6) Any order or portion thereof that has been routed is not eligible to trade on the Exchange Book, unless all or a portion of the order returns unexecuted.

(7) Requests to cancel an order that has been routed will be processed as follows:

(A) For orders that are eligible to be matched for execution against orders in the Exchange Book, the request to cancel will not be processed unless and until all or a portion of the order returns unexecuted.

(B) For orders routed to the primary listing market on arrival pursuant to Rule 7.34, the request to cancel will be routed to the primary listing market.

(8) An order marked "short" when a short sale price test restriction is in effect will not be routed.

(d) After executing with eligible contra-side interest on the Exchange Book and/or returning unexecuted after routing to an Away Market(s), any unexecuted non-marketable portion of an order will be ranked consistent with Rule 7.36.

(e) *Use of Data Feeds*. The Exchange uses the following data feeds for the handling, execution, and routing of orders, as well as for regulatory compliance:

Market Center	**Primary Source**	**Secondary Source**
Cboe BZX Exchange, Inc.	Direct Feed	SIP Data Feed
Cboe BYX Exchange, Inc.	Direct Feed	SIP Data Feed
Cboe EDGA Exchange, Inc.	Direct Feed	SIP Data Feed
Cboe EDGX Exchange, Inc.	Direct Feed	SIP Data Feed
Chicago Stock Exchange, Inc.	SIP Data Feed	n/a
Investors' Exchange, LLC	SIP Data Feed	n/a
NASDAQ BX, Inc.	Direct Feed	SIP Data Feed
NASDAQ PHLX LLC	Direct Feed	SIP Data Feed
NASDAQ Stock Market LLC	Direct Feed	SIP Data Feed

NYSE Arca, Inc.	Direct Feed	SIP Data Feed
NYSE American LLC	SIP Feed	Direct Feed

(f) Locking or Crossing Quotations in NMS Stocks.

(1) Definitions. For purposes of this Rule, the following definitions shall apply:

(A) The term Crossing Quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that is higher than the Best Protected Offer for such NMS stock, or the display of an offer for an NMS stock during regular trading hours at a price that is lower than the Best Protected Bid for such NMS stock.

(B) The term Locking Quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that equals the Best Protected Offer for such NMS stock, or the display of a offer for an NMS stock during regular trading hours at a price that equals the Best Protected Bid for such NMS stock.

(2) Prohibition. Except for quotations that fall within the provisions of paragraph (f)(3) of this Rule, the Exchange and members of the Exchange shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross the PBBO.

(3) Locked or Crossed Market Exceptions. The prohibition against Locking and Crossing Quotations in paragraph (f)(2) of this Rule will not apply when:

(A) The Locking or Crossing Quotation was displayed at a time when the Trading Center displaying the locked or crossed quotation was experiencing a failure, material delay, or malfunction of its systems or equipment;

(B) The Locking or Crossing Quotation was displayed at a time when the Best Protected Bid was higher than the Best Protected Offer in the NMS stock; or

(C) The Locking or Crossing Quotation was an Automated Quotation, and the member organization displaying such Automated Quotation simultaneously routed an ISO to execute against the full displayed size of any locked or crossed Protected Quotation.

(g) Exceptions to the Order Protection Rule

(1) Self-Help Exception. The self-help exception will apply to any trade-through of a Protected Quotation displayed by a Trading Center that is experiencing a failure, material delay, or malfunction of its systems or equipment. In these instances, Protected Quotations may be bypassed by:

(A) notifying the non-responding Trading Center immediately after (or at the same time as) electing self-help; and

(B) following the established Exchange policies and procedures for electing the self-help exception.

(2) Intermarket Sweep Order Exception.

(A) The Exchange will accept ISO orders to be executed in the Exchange Book against orders at Exchange’s best bid or best offer without regard to whether the execution would trade through another market's Protected Quotation.

(B) If an ISO is marked as "Immediate-or-Cancel," any portion of the order not executed upon arrival will be automatically cancelled. If an ISO is not marked as "Immediate-or-Cancel," any balance of the order will be displayed by the Exchange without regard to whether that display would lock or cross another market center if the member organization has complied with Rule 7.37(f)(3)(C).

(3) Single-Price Openings, Reopenings, and Closing Transactions. A transaction that constituted the trade through is excepted from the Order Protection Rule if it was a single-priced opening, reopening, or closing transaction by the Exchange.

(4) Benchmark Trades. The Exchange may execute volume-weighted average price ("VWAP") orders, as well as other types of orders that are not priced with reference to the quoted price of the NMS stock at the time of execution and for which the material terms were not reasonably available at the time the commitment to execute the order was made. Benchmark Trades may not trade through the Exchange Book.

(5) Contingent Order Exemption. Transactions Qualifying as "Contingent Trades" may trade-through both Manual and Protected Quotes. Transactions executed under this exemption may not trade through the Exchange Book. A "Qualified Contingent Trade" is a transaction consisting of two or more component orders, executed as agent or principal, where:

(A) at least one component order is in an NMS stock;

(B) all components are effected with a product or price contingency that either has been agreed to by the respective counterparties or arranged for by a broker-dealer as principal or agent;

(C) the execution of one component is contingent upon the execution of all other components at or near the same time;

(D) the specific relationship between the component orders (e.g., the spread between the prices of the component orders) is determined at the time the contingent order is placed;

(E) the component orders bear a derivative relationship to one another, represent different classes of shares of the same issuer, or involve the securities of participants in mergers or with intentions to merge that have been announced or since cancelled; and

(F) the Exempted NMS Stock Transaction is fully hedged (without regard to any prior existing position) as a result of the other components of the contingent trade.

Rule 7.38. [Reserved]Odd and Mixed Lots

(a) *Order Types.* Rule 7.31 specifies whether an order may not be entered as an odd lot or mixed lot.

(b) *Ranking and Execution.* Round lot, mixed lot and odd lot orders are treated in the same manner on the Exchange, provided that:

(1) The working price of an odd lot order will be adjusted both on arrival and when resting on the Exchange Book based on the limit price of the order. If the limit price of an odd lot order to buy (sell) is at or below (above) the PBO (PBB), it will have a working price equal to the limit price. If the limit price of an odd lot order to buy (sell) is above (below) the PBO (PBB), it will have a working price equal to the PBO (PBB). If the limit price of an odd lot order to buy (sell) is above (below) the PBO (PBB) and the PBBO is crossed, it will have a working price equal to the PBB (PBO). An odd-lot order ranked Priority 2 – Display Orders will not be assigned a new working time if its working price is adjusted under this Rule. If the display price of an odd lot order to buy (sell) is above (below) its working price, it will be ranked and allocated based on its display price.

(2) For an order that is partially routed to an Away Market on arrival, if any returned quantity of the order joins resting odd-lot quantity of the original order and the returned and resting quantity, either alone or together with other odd-lot orders, would be displayed as a new BBO, both the returned and resting quantity will be assigned a new working time.

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Section 5. [Reserved]Plan to Implement a Tick Size Pilot Program

Rule 7.46. Tick Size Pilot Plan

The provisions of this Rule will be in effect during a pilot to coincide with the pilot period for the Regulation NMS Tick Size Pilot Plan.

(a) Tick Size Pilot Program

(1) Definitions.

(A) "Plan" means the Tick Size Pilot Plan Submitted to the Securities and Exchange Commission Pursuant to Rule 608(a)(3) of Regulation NMS under the Exchange Act.

(B) "Pilot Test Groups" means the three test groups established under the Plan, consisting of 400 Pilot Securities each, which satisfy the respective criteria established by the Plan for each such test group.

(C) "Retail Investor Order" means an agency order or a riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a retail member organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. A Retail Investor Order may be an odd lot, round lot, or partial round lot.

(D) "Trade-at Intermarket Sweep Order" means a limit order for a Pilot Security that meets the following requirements:

(i) When routed to a Trading Center, the limit order is identified as a Trade-at Intermarket Sweep Order; and

(ii) Simultaneously with the routing of the limit order identified as a Trade-at Intermarket Sweep Order, one or more additional limit orders, as necessary, are routed to execute against the full displayed size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of a limit order to buy, for the Pilot Security with a price that is better than or equal to the limit price of the limit order identified as a Trade-at Intermarket Sweep Order. These additional routed orders also must be marked as Trade-at Intermarket Sweep Orders or Intermarket Sweep Orders.

(E) All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the Plan, Regulation NMS under the Exchange Act, or Exchange rules, as applicable.

(2) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes a Tick Size Pilot Program that will allow the Securities and Exchange Commission, market participants, and the public to study and assess the impact of increment conventions on the liquidity and trading of the common stocks of small capitalization companies.

(3) Member Organization Compliance. Member organizations shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the applicable requirements of the Plan.

(4) Exchange Compliance with the Plan. Exchange systems will not display, quote or trade in violation of the applicable quoting and trading requirements for a Pilot Security specified in the Plan and this Rule, unless such quotation or transaction is specifically exempted under the Plan.

(5) Pilot Securities That Drop Below $1.00 during the Pilot Period. If the price of a Pilot Security drops below $1.00 during regular trading on any given business day, such Pilot Security will continue to be subject to the Plan and the requirements enumerated in (c)-(e) below and will continue to trade in accordance with such Rules as if the price of the Pilot Security had not dropped below $1.00. However, if the Closing Price of a Pilot Security on any given business day is below $1.00, such Pilot Security will be moved out of its respective Pilot Test Group into the Control Group, and may then be quoted and traded at any price increment that is currently permitted by Exchange rules for the remainder of the Pilot Period. Notwithstanding anything contained herein to the contrary, at all times during the Pilot Period, Pilot Securities (whether in the Control Group or any Pilot Test Group) will continue to be subject to the requirements contained in Paragraph (b).

(b) Compliance with Data Collection Requirements

(1) Policies and Procedures Requirement. A member organization that operates a Trading Center shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Items I and II of Appendix B of the Plan, and a member organization that is a Market Maker shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Item IV of Appendix B of the Plan and Item I of Appendix C of the Plan.

(2) The Exchange shall collect and transmit to the SEC the data described in Items I and II of Appendix B of the Plan relating to trading activity in Pre-Pilot Data Collection Securities and Pilot Securities on a Trading Center operated by the Exchange. The Exchange shall transmit such data to the SEC in a pipe delimited format, on a disaggregated basis by Trading Center, within 30 calendar days following month end for:

(A) Each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(B) Each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the member organization that generated the data.

(3) Daily Market Maker Participation Statistics Requirement

(A) A member organization that is a Market Maker shall collect and transmit to their Designated Examining Authority ("DEA") data relating to Item IV of Appendix B of the Plan, with respect to activity conducted on any Trading Center in Pre-Pilot Data Collection Securities and Pilot Securities in furtherance of its status as a Market Maker, including a Trading Center that executes trades otherwise than on a national securities exchange, for transactions that have settled or reached settlement date. Market Makers shall transmit such data in a format required by their DEA by 12:00 p.m. EST on T+4:

(i) For transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) For transactions in each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) A member organization that is a Market Maker whose DEA is not a Participant to the Plan shall transmit the data collected pursuant to paragraph (3)(A) above to FINRA. Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 in accordance with paragraphs (3)(A)(i) and (ii) above.

(C) The Exchange shall transmit the data collected by the DEA or FINRA pursuant to paragraphs (3)(A) and (B) above relating to Market Maker activity on a Trading Center operated by the Exchange to the SEC in a pipe delimited format within 30 calendar days following month end. The Exchange shall also make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the Trading Center that generated the data.

(4) Market Maker Profitability

(A) A member organization that is a Market Maker shall collect and transmit to their DEA the data described in Item I of Appendix C of the Plan with respect to executions on any Trading Center that have settled or reached settlement date. Market Makers shall transmit such data in a format required to their DEA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in each:

(i) Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) A member organization that is a Market Maker whose DEA is not a Participant to the Plan shall transmit the data collected pursuant to paragraph (4)(A) above to FINRA. Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in accordance with paragraphs (4)(A)(i) and (ii) above.

(5) Market Maker Registration Statistics. The Exchange shall collect and transmit to the SEC the data described in Item III of Appendix B of the Plan relating to daily Market Maker registration statistics in a pipe delimited format within 30 calendar days following month end for:

(A) Transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through the trading day immediately preceding the Pilot Period; and

(B) Transactions in each Pilot Security for the period beginning on the first day of the Pilot Period through six months after the end of the Pilot Period.

The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the member organization that generated the data.

(c) Pilot Securities in Test Group One will be subject to the following requirement: No member organization may display, rank, or accept from any person any displayable or nondisplayable bids or offers, orders, or indications of interest in increments other than $0.05. However, orders priced to trade at the midpoint of the national best bid and national best offer ("NBBO") or best protected bid and best protected offer ("PBBO") may be ranked and accepted in increments of less than $0.05. Pilot Securities in Test Group One may continue to trade at any price increment that is currently permitted by Rule 7.6.

(d) Pilot Securities in Test Group Two shall be subject to the following requirements:

(1) No member organization may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in increments other than $0.05. However, orders priced to trade at the midpoint of the NBBO or PBBO may be ranked and accepted in increments of less than $0.05.

(2) Absent any of the exceptions listed in (3) below, no member organization may execute orders in any Pilot Security in Test Group Two in price increments other than $0.05. The $0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(3) Pilot Securities in Test Group Two may trade in increments less than $0.05 under the following circumstances:

(A) Trading may occur at the midpoint between the NBBO or the PBBO;

(B) Retail Investor Orders may be provided with price improvement that is at least $0.005 better than the PBBO;

(C) Negotiated Trades may trade in increments less than $0.05; and

(D) Execution of a customer order to comply with Rule 5320 following the execution of a proprietary trade by the member organization at an increment other than $0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(e) Pilot Securities in Test Group Three shall be subject to the following requirements:

(1) No member organization may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in increments other than $0.05. However, orders priced to trade at the midpoint of the NBBO or PBBO may be ranked and accepted in increments of less than $0.05.

(2) Absent any of the exceptions listed in (3) below, no member organization may execute orders in any Pilot Security in Test Group Three in price increments other than $0.05. The $0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(3) Pilot Securities in Test Group Three may trade in increments less than $0.05 under the following circumstances:

(A) Trading may occur at the midpoint between the NBBO or PBBO;

(B) Retail Investor Orders may be provided with price improvement that is at least $0.005 better than the Best Protected Bid or the Best Protected Offer;

(C) Negotiated Trades may trade in increments less than $0.05; and

(D) Execution of a customer order to comply with Rule 5320 following the execution of a proprietary trade by the member organization at an increment other than $0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(4) Pilot Securities in Test Group Three will be subject to the following Trade-at Prohibition:

(A) "Trade-at Prohibition" means the prohibition against executions by a Trading Center of a sell order for a Pilot Security at the price of a Protected Bid or the execution of a buy order for a Pilot Security at the price of a Protected Offer during regular trading hours.

(B) Absent any of the exceptions listed in (C) below, no member organization may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer.

(C) Member organizations may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer if any of the following circumstances exist:

(i) The order is executed as agent or riskless principal by an independent trading unit, as defined under Rule 200(f) of Regulation SHO, of a Trading Center within a member organization that has a displayed quotation as agent or riskless principal, via either a processor or an SRO Quotation Feed, at a price equal to the traded at Protected Quotation, that was displayed before the order was received, but only up to the full displayed size of that independent trading unit's previously displayed quote;

(ii) The order is executed by an independent trading unit, as defined under Rule 200(f) of Regulation SHO, of a Trading Center within a member organization that has a displayed quotation for the account of that Trading Center on a principal (excluding riskless principal) basis, via either a processor or an SRO Quotation Feed, at a price equal to the traded-at Protected Quotation, that was displayed before the order was received, but only up to the full displayed size of that independent trading unit's previously displayed quote;

(iii) The order is of Block Size at the time of origin and may not be:

A. an aggregation of non-block orders; or

B. broken into orders smaller than Block Size prior to submitting the order to a Trading Center for execution.

(iv) The order is a Retail Investor Order executed with at least $0.005 price improvement;

(v) The order is executed when the Trading Center displaying the Protected Quotation that was traded at was experiencing a failure, material delay, or malfunction of its systems or equipment;

(vi) The order is executed as part of a transaction that was not a "regular way" contract;

(vii) The order is executed as part of a single-priced opening, reopening, or closing transaction on the Exchange;

(viii) The order is executed when a Protected Bid was priced higher than a Protected Offer in the Pilot Security;

(ix) The order is identified as a Trade-at Intermarket Sweep Order;

(x) The order is executed by a Trading Center that simultaneously routed Trade-at Intermarket Sweep Orders or Intermarket Sweep Orders to execute against the full displayed size of the Protected Quotation that was traded at;

(xi) The order is executed as part of a Negotiated Trade;

(xii) The order is executed when the Trading Center displaying the Protected Quotation that was traded at had displayed, within one second prior to execution of the transaction that constituted the Trade-at, a Best Protected Bid or Best Protected Offer, as applicable, for the Pilot Security with a price that was inferior to the price of the Trade-at transaction;

(xiii) The order is executed by a Trading Center which, at the time of order receipt, the Trading Center had guaranteed an execution at no worse than a specified price (a "stopped order"), where:

A. The stopped order was for the account of a customer;

B. The customer agreed to the specified price on an order-by-order basis; and

C. The price of the Trade-at transaction was, for a stopped buy order, equal to or less than the National Best Bid in the Pilot Security at the time of execution or, for a stopped sell order, equal to or greater than the National Best Offer in the Pilot Security at the time of execution, as long as such order is priced at an acceptable increment;

(xiv) The order is for a fractional share of a Pilot Security, provided that such fractional share order was not the result of breaking an order for one or more whole shares of a Pilot Security into orders for fractional shares or was not otherwise effected to evade the requirements of the Trade-at Prohibition or any other provisions of the Plan; or

(xv) The order is to correct a bona fide error, which is recorded by the Trading Center in its error account. A bona fide error is defined as:

A. The inaccurate conveyance or execution of any term of an order including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;

B. The unauthorized or unintended purchase, sale, or allocation of securities, or the failure to follow specific client instructions;

C. The incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or

D. A delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.

(D) No member organization shall break an order into smaller orders or otherwise effect or execute an order to evade the requirements of the Trade-at Prohibition of this Rule or any other provisions of the Plan.

(f) Exchange handling of orders during the Pilot Period for the Plan.

(1) Trade-at Intermarket Sweep Orders ("TA ISO")

(A) The Exchange will accept TA ISOs in all securities. TA ISOs must be designated as IOC and do not route.

(B) A TA ISO will be immediately traded with contra-side displayed and nondisplayed interest in the Exchange Book up to its full size and limit price and the quantity not so traded will be immediately and automatically cancelled.

(2) For Pilot Securities in Test Groups One, Two and Three:

(A) References in Exchange rules to the MPV, as defined in Rule 7.6, instead mean the quoting MPV specified in paragraphs (c), (d), and (e) of this Rule. References to truncating to the MPV in Exchange rules instead mean rounding down to the applicable quoting MPV for Pilot Securities.

(B) MPL Orders must be entered with a limit price in a $0.05 pricing increment.

(3) Reserved.

(4) Reserved.

(5) For Pilot Securities in Test Group Three:

(A) At each price point, the priority of resting orders for ranking will be:

(i) Priority 2 - Display Orders. Non-marketable Limit Orders with a displayed working price have first priority.

(ii) Protected Quotations of Away Markets. Protected quotations of Away Markets have second priority.

(iii) Priority 1 - Market Orders. Unexecuted Market Orders have third priority.

(iv) Priority 3 - Non-Display Orders. Non-marketable Limit Orders for which the working price is not displayed, including reserve interest of Reserve Orders, have fourth priority.

(B) At each price point, an Aggressing Order will be allocated against contra-side orders as follows:

(i) First, an order with Setter Priority that has a display price and working price equal to the BBO will receive 15% of the remaining quantity of the Aggressing Order, rounded up to the next round lot size or the remaining displayed quantity of the order with Setter Priority, whichever is lower. An order with Setter Priority is eligible for Setter Priority allocation if the BBO is no longer the same as the NBBO.

(ii) Next, orders ranked Priority 2 – Displayed Orders will be allocated on parity by Participant. The remaining quantity of the order with Setting Priority is eligible to participate in this parity allocation, consistent with the allocation wheel position of the Participant that entered the order with Setter Priority.

(iii) Next, subject to paragraph (f)(5)(F) of this Rule, the Exchange will route the Aggressing Order to protected quotations of Away Markets.

(iv) Next, orders ranked Priority 1 - Market Orders will trade based on time.

(v) Next, orders ranked Priority 3 – Non-Display Orders, other than MPL Orders with an MTS Modifier, will be allocated on parity by Participant.

(vi) Next, MPL Orders with an MTS Modifier will be allocated based on MTS size (smallest to largest) and time.

(C) The display price of Limit Orders to buy (sell) repriced under Rule 7.31(a)(2)(C) will be the same as provided for in that rule, but the working price of such orders will be the same as the display price.

(D) If a Reserve Order to buy (sell) is displayed at a price that is locked or crossed by a protected offer (bid), the portion of the Reserve Order that is not displayed will be assigned a working price $0.05 below (above) the protected offer (bid), but if routable, will route to a protected offer (bid) based on the limit price of the order.

(E) If the limit price of a resting Limit Non-Displayed Order to buy (sell) is equal to or higher (lower) than the PBO (PBB), it will have a working price $0.05 below (above) the PBO (PBB).

(F) Orders with instructions not to route, as defined in Rule 7.31(e):

(i) On arrival, orders with instructions not to route will trade with resting orders in the Exchange Book consistent with the terms of the order and the Trade-At Prohibition.

(a) On arrival, Day ISOs will be eligible for the exception set forth in paragraph (e)(4)(C)(ix) of this Rule.

(b) An IOC ISO to buy (sell) will not trade with orders to sell (buy) ranked Priority 1 - Market Orders or Priority 3 - Non-Display Orders that are the same price as a protected offer (bid) unless the limit price of such IOC ISO is higher (lower) than the price of protected offer (bid).

(ii) When being added to the Exchange Book, a Limit Non-Routable Order or ALO Order to buy (sell) with a limit price equal to or above (below) the PBO (PBB) will be assigned a display price and working price one MPV below (above) the PBO (PBB).

(iii) Once resting on the Exchange Book, a Limit Non-Routable Order or ALO Order to buy (sell) will not be eligible to trade with later-arriving orders to sell (buy) ranked Priority 2 - Display Orders priced equal to the PBO (PBB). A later arriving order to buy (sell) that is eligible to trade with the PBO (PBB) may trade before such resting order.

Commentary:

.10 For purposes of the reporting requirement in Appendix B.II.(n), a Trading Center shall report "Y" to their DEA where it is relying upon the Retail Investor Order exception to Test Groups Two and Three, and "N" in all other instances.

.20 For purposes of Appendix B.I, the field "Affected by Limit-Up Limit-Down bands" shall be included. A Trading Center shall report a value of "Y" to their DEA when the ability of an order to execute has been affected by the Limit-Up Limit-Down (LULD) bands in effect at the time of order receipt. A Trading Center shall report a value of "N" to their DEA when the ability of an order to execute has not been affected by the LULD bands in effect at the time of order receipt. For purposes of Appendix B.I, the Participants shall classify all orders in Pilot and Pre-Pilot Securities that may trade in a foreign market as: (1) fully executed domestically or (2) fully or partially executed on a foreign market. For purposes of Appendix B.II, the Participants shall classify all orders in Pilot Securities and Pre-Pilot Data Collection Securities that may trade in a foreign market as: (1) directed to a domestic venue for execution; (2) may only be directed to a foreign venue for execution; or (3) fully or partially directed to a foreign venue at the discretion of the member organization.

.30 (a) For purposes of Appendix B.I.a(14), B.I.a(15), B.I.a(21) and B.I.a(22), the time ranges shall be changed as follows:

(1) Appendix B.I.a(14A): The cumulative number of shares of orders executed from 100 microseconds to less than 1 millisecond after the time of order receipt;

(2) Appendix B.I.a(15): The cumulative number of shares of orders executed from 1 millisecond to less than 100 milliseconds after the time of order receipt;

(3) Appendix B.I.a(21A): The cumulative number of shares of orders canceled from 100 microseconds to less than 1 millisecond after the time of order receipt; and

(4) Appendix B.I.a(22): The cumulative number of shares of orders canceled from 1 millisecond to less than 100 milliseconds after the time of order receipt.

(b) For purposes of Appendix B.I.a(21) through B.I.a(27), unexecuted Immediate or Cancel orders shall be categorized separately irrespective of the duration of time after order receipt.

.40 For purposes of Appendix B.I.a(31)-(33), the relevant measurement is the time of order receipt.

.50 For purposes of Appendix B, the following order types and numbers shall be included and assigned the following numbers: "not held" orders (18); clean cross orders (19); auction orders (20); orders that cannot otherwise be classified, including orders received when the NBBO is crossed (21); and limit orders priced more than $0.10 away from NBBO (22). For purposes of order types 12-14 in Appendix B, such order types shall include all orders and not solely "resting" orders.

.60 A member organization shall not be deemed a Trading Center for purposes of Appendix B of the Plan where that member organization only executes orders otherwise than on a national securities exchange for the purpose of: (i) correcting a bona fide error related to the execution of a customer order; (ii) purchases a security from a customer at a nominal price solely for purposes of liquidating the customer's position; or (iii) completing the fractional share portion of an order.

.70 A Trading Center shall begin the data collection required pursuant to Appendix B.I.a(1) through B.II.(y) of the Plan and Item I of Appendix C of the Plan on April 4, 2016. The requirement that the Exchange or their DEA provide information to the SEC within 30 days following month end pursuant to Appendix B and C of the Plan shall commence at the beginning of the Pilot Period. Notwithstanding the provisions of paragraphs (b)(2), (b)(3)(C) and (b)(5) of this Rule, with respect to data for the Pre- Pilot Period and Pilot Period, the requirement that the Exchange or their DEA make Appendix B data publicly available on the Exchange's or DEA's website shall commence on August 31, 2017. Notwithstanding the provisions of paragraph (b)(4) of this Rule, the Exchange or their DEA shall make Appendix C data for the Pre-Pilot Period through January 2017 publicly available on the Exchange's or DEA's website by February 28, 2017.

.80 For purposes of Item I of Appendix C, the Participants shall calculate daily Market Maker realized profitability statistics for each trading day on a daily last in, first out (LIFO) basis using reported trade price and shall include only trades executed on the subject trading day. The daily LIFO calculation shall not include any positions carried over from previous trading days. For purposes of Item I.c of Appendix C, the Participants shall calculate daily Market Maker unrealized profitability statistics for each trading day on an average price basis. Specifically, the Participants must calculate the volume weighted average price of the excess (deficit) of buy volume over sell volume for the current trading day using reported trade price. The gain (loss) of the excess (deficit) of buy volume over sell volume shall be determined by using the volume weighted average price compared to the closing price of the security as reported by the primary listing exchange. In calculating unrealized trading profits, the Participant also shall report the number of excess (deficit) shares held by the Market Maker, the volume weighted average price of that excess (deficit), and the closing price of the security as reported by the primary listing exchange used in reporting unrealized profit.

.90 "Pre-Pilot Data Collection Securities" are the securities designated by the Participants for purposes of the data collection requirements described in Items I, II and 48 of 48 IV of Appendix B and Item I of Appendix C of the Plan for the period beginning six months prior to the Pilot Period through thirty-one days prior to the Pilot Period. The Participants shall compile the list of Pre-Pilot Data Collection Securities by selecting all NMS stocks with a market capitalization of $5 billion or less, a Consolidated Average Daily Volume (CADV) of 2 million shares or less and a closing price of $1 per share or more. The market capitalization and the closing price thresholds shall be applied to the last day of the pre-pilot measurement period, and the CADV threshold shall be applied to the duration of the pre-pilot measurement period. The Pre-Pilot measurement period shall be the three calendar months ending on the day when the Pre-Pilot Data Collection Securities are selected. The Pre-Pilot Data Collection Securities shall be selected thirty days prior to the commencement of the six-month Pre-Pilot Period.

.100 For purposes of Appendix B.IV, the count of the number of Market Makers used in the calculation of share (trade) participation shall be added to each category. For purposes of Appendix B.IV(b) and (c), share participation and trade participation shall be calculated by using a total count instead of a share-weighted average or a trade-weighted average. For purposes of Appendix B, B.IV(d) (cross-quote share (trade) participation), (e) (inside-the-quote share (trade) participation), (f) (at-the-quote share (trade) participation), and (g) (outside-the-quote share (trade) participation), shall be calculated by reference to the National Best Bid or National Best Offer in effect immediately prior to the trade.

*****

Rule 13. Orders and Modifiers

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

Unless otherwise specified in this Rule, Rule 70 (for Floor brokers), or Rule 104 (for DMMs), orders and modifiers are available for all member organizations.

*****

Rule 15. Pre-Opening Indications and Opening Order Imbalance Information

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) *Pre-Opening Indications:* A pre-opening indication will include the security and the price range within which the opening price is anticipated to occur. A pre-opening indication will be published via the securities information processor and proprietary data feeds.

*****

Rule 15A. Order Protection Rule

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

Where any better-priced protected bid or offer as defined in SEC Rule 242.600(b)(57) is published by another market center, and the price associated with such published better bid or offer has not been systemically matched on the Exchange, the Exchange will automatically route to such other market center an order priced at such published bid or offer, unless the trade-through that would occur if the Exchange did not route to the other market center falls within an exception set forth in SEC Rule 242.611(b) or within an exemption granted by the Securities and Exchange Commission pursuant to SEC Rule 242.611(d). If such order is not filled or not filled in its entirety, the balance will be returned to the Exchange and handled consistent with the order's instructions, which includes automatic execution, if available. The order entry time associated with the returned portion of the order will be the time of its return, not the time the order was first entered with the Exchange.

*****

Rule 19. Locking or Crossing Protected Quotations in NMS Stocks

<u>This Rule is not applicable to trading UTP Securities on the Pillar trading platform.</u>

(a) Definitions. For purposes of this Rule, the following definitions shall apply:

*****

Rule 61. Recognized Quotations

<u>This Rule is not applicable to trading UTP Securities on the Pillar trading platform.</u>

Round lots, Odd lots and Part of Round Lot ("PRL")

a. Bids and offers in securities

*****

Rule 67. Tick Size Pilot Plan

<u>This Rule is not applicable to trading UTP Securities on the Pillar trading platform.</u>

The provisions of this Rule will be in effect during a pilot to coincide with the pilot period for the Regulation NMS Tick Size Pilot Plan.

*****

Rule 70. Execution of Floor Broker Interest

<u>This Rule is not applicable to trading UTP Securities on the Pillar trading platform.</u>

(a)

(i) With respect to orders he is representing on the Floor, a Floor broker may place within Exchange systems broker agency interest files (also referred to as e-Quotes SM) at multiple price points on both sides of the market with respect to each security trading in the location(s) comprising the Crowd such Floor broker is a part of with respect to orders he or she is representing on the Floor, except that the agency interest files shall not include Market Orders or ISOs.

*****

Rule 72. Priority of Bids and Offers and Allocation of Executions

<u>This Rule is not applicable to trading UTP Securities on the Pillar trading platform.</u>

(a) Priority of First Bid or Offer

(i) As used in this rule, the term "displayable" shall mean that portion of interest that could be published as, or as part of, the Exchange BBO, including pegging interest. Displayable odd-lot orders will be published as part of the Exchange BBO if, when aggregated with other interest available for execution at that price point, the sum of the odd-lot order and other interest available at that price point would be equal to or greater than a round lot. The term "displayed interest" includes that part of an order that is published as, or as part of, the Exchange BBO, which may include one or more odd-lot orders.

*****

Rule 76. "Crossing" Orders

Supplementary Material .10 to this Rule is not applicable to trading UTP Securities on the Pillar trading platform.

When a member has an order to buy and an order to sell the same security, he or she shall offer such security at a price which is higher than his or her bid by the minimum variation permitted in such security before making a transaction with himself or herself. All such bids and offers shall be clearly announced to the trading Crowd before the member may proceed with the proposed "cross" transaction.

*****

Rule 77. Prohibited Dealings and Activities

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

No member shall offer publicly on the Floor:

*****

Rule 79A. Miscellaneous Requirements on Stock Market Procedures

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

• • • ***Supplementary Material:*** ------------------

.10 Request to make better bid or offer.—When any Floor broker does not bid or offer at the limit of an order which is better than the currently quoted price in the security and is requested by his principal to bid or offer at such limit, he shall do so.

*****

Rule 80C. Limit Up-Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

The provisions of this Rule shall be in effect during a pilot to coincide with the pilot period for the Regulation NMS Plan to Address Extraordinary Market Volatility.

*****

Rule 103B. Security Allocation and Reallocation

I. ***ASSIGNMENT OF SECURITIES***

Securities are allocated to a qualified DMM unit when: (1) a security is to be initially listed on the Exchange; and (2) a security previously assigned to a DMM member organization must be re-assigned pursuant to this Rule or the NYSE Listing Company Manual. UTP Securities will not be allocated to a DMM unit.

*****

Rule 107B. Supplemental Liquidity Providers

(a) For purposes of this Rule, a Supplemental Liquidity Provider ("SLP") is a member organization that electronically enters proprietary orders or quotes from off the Floor of the Exchange into the systems and facilities of the Exchange and is obligated to maintain a bid or an offer at the National Best Bid ("NBB") or the National Best Offer ("NBO") in each assigned security in round lots averaging at least 10% of the trading day (see Section (g) below) and for all assigned SLP securities, adds liquidity of an average daily volume ("ADV") of more than a specified percentage of consolidated average daily volume ("CADV") in all NYSE-[listed]traded securities, as set forth in the Exchange's Price List, on a monthly basis. An SLP can be either a proprietary trading unit of a member organization ("SLP-Prop") or a registered market maker at the Exchange ("SLMM").

*****

Rule 107C. Retail Liquidity Program

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) Definitions.

(1) Retail Liquidity Provider. A "Retail Liquidity Provider" or "RLP" is a member organization that is approved by the Exchange under this Rule to act as such and that is required to submit Retail Price Improvement in accordance with this Rule.

*****

Rule 108. Limitation on Members' Bids and Offers

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) On parity

No bid or offer made by a member or made on an order for stock originated by a member while on the Floor to establish or increase a position in such stock for an account in which such member has an interest shall be entitled to parity with a bid or offer made on an order originated off the Floor, except that such a bid or offer shall be entitled to parity with a bid or offer made on an order originated off the Floor and being executed pursuant to Section 11(a)(1)(G) of the Act and Rule 11a1-1(T) thereunder. The foregoing shall not apply to DMMs.

*****

Rule 111. Reports of Executions

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

Reports by Non-Competitive Traders.

Form 82-B-Report filed monthly. Any transactions initiated on the Floor by a member for any account in which he has an interest:

*****

Rule 115A. Orders at Opening

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) Arranging an opening or price. When arranging an opening or reopening price:

*****

Rule 116. "Stop" Constitutes Guarantee

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

An agreement by a member to "stop" securities at a specified price shall constitute a guarantee of the purchase or sale by him of the securities at that price or its equivalent.

If an order is executed at a less favorable price than that agreed upon, the member who agreed to stop the securities shall be liable for an adjustment of the difference between the two prices.

*****

Rule 123A. Miscellaneous Requirements

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

• • • ***Supplementary Material:*** ------------------

.10 Reserved

.20 Day Orders

Members will facilitate business on the Floor by sending their orders as early as possible before the opening.

*****

Rule 123B. Exchange Automated Order Routing System

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) The Exchange's SuperDot System (hereafter referred to as "the System") provides automated order routing and reporting services to facilitate the timely and efficient transmission, execution, and reporting of market and limit orders on the Exchange. Members and member organizations may transmit orders by means of the System of such size as the Exchange may specify from time to time. However, special features of these systems, as described in paragraph (b) below, may be available only to orders of a particular smaller size, as the Exchange may specify from time to time.

*****

Rule 123C. The Closing Procedures

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(1) Definitions for the Purpose of this Rule.

*****

Rule 123D. Openings and Halts in Trading

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) Openings: Unless otherwise specified, references to an open or opening in paragraph (a) of this Rule also mean a reopening following a trading halt or pause in a security.

*****

Rule 127. Block Crosses Outside the Prevailing NYSE Quotation

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) A member organization that receives an order or orders for the purchase or sale of a block of stock, that may not readily be absorbed by the market, should explore in depth the market on the Floor. Unless professional judgment dictates otherwise, this should include checking with the DMM to ascertain the extent of the DMM's interest in participating at an indicated price or prices. The DMM should maintain the same depth and normal variations between sales as he or she would had he or she not learned of the block.

*****

Rule 128. Clearly Erroneous Executions For NYSE Equities

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

The provisions of paragraphs (c), (e)(2), (f), and (g) of this Rule, as amended on September 10, 2010, and the provisions of paragraphs (i) through (k), shall be in effect during a pilot period to coincide with the pilot period for the Limit Up-Limit Down Plan, including any extensions to the pilot period for the Plan. If the Plan is not either extended or approved as permanent, the prior versions of sections (c), (e)(2), (f), and (g) shall be in effect, and the provisions of paragraphs (i) through (k) shall be null and void.

*****

Rule 128A. Publication of Transactions

Except for manual transactions pursuant to Rule 76, t[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.

• • • *Supplementary Material:* ------------------

.10 Duty of seller.—It is the duty of the seller to report the sale of a security in such manner as to facilitate the printing of the trade on the tape. Members should promptly call the attention of the appropriate person(s) to any error on or omission from the tape.

.11 Price not in dispute.—The publication of a transaction on the tape may not be objected to if the price at which it was made is not in dispute.

.13 Registered as to principal.—Transactions in bonds registered as to principal must be published on the tape and "sales sheet," [*] designated "Registered as to Principal."

.16 "Stopped" Securities.—Transactions in "stopped" securities shall be published on the tape and in the "sales sheet" [*] in sequence and included in the volume for the day. If a member so requests, such transactions shall be designated on the tape with the symbol "ST". A trade so designated is considered to be outside the regular bidding and offering rules and only the grantor of the "stop" and the broker who has been "stopped" may participate in such trade.

Rule 128B. Publication of Changes, Corrections, Cancellations or Omissions and Verification of Transactions

Except for manual transactions pursuant to Rule 76, t[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.

• • • *Supplementary Material:* ------------------

10 Publication on the tape or in the "sales sheet".—Publication of a change or a correction in a transaction which previously appeared on the tape, or publication of the cancellation of a transaction which previously appeared on the tape and which was properly rescinded, or publication of a transaction omitted from the tape may be made on the tape on the day of the transaction provided both buying and selling members or member organizations agree to the change in the transaction(s) and approval is received from a Floor Governor, Executive Floor Official, Senior Floor Official or Executive Floor Governor. In the event such publications are not made on the tape on the day of the transaction, they may be published on the tape at least ten minutes prior to the opening of business on the following business day or in the "sales sheet" [*] within three business days of the date of the transaction with the approval of both the buying and selling members and a Floor Official, provided the price of the transaction does not affect the high, low, opening or closing price of the security on the day of the transaction.

.12 Mechanical, system and clerical errors.—Erroneous publications made on the tape due to mechanical or system troubles or to clerical errors may be corrected on the tape on the day of the transaction, or on the tape by at least ten minutes prior to the opening of business on the following business day, or in the "sales sheet" [*] within three business days of the date of the transaction under the direction of an authorized NYSE Market employee.

.13 Other errors.—A correction in the amount of a transaction reported erroneously to the tape by a party to the transaction, may be published on the tape on the day of the transaction, or on the tape at least ten minutes prior to the opening of business on the following business day, or on the "sales sheet" [*] within three business days of the date of the transaction with the approval of a Floor Governor, Executive Floor Official, Senior Floor Official or Executive Floor Governor.

Members who wish to make requests to have publications made on the tape or in the "sales sheet" or to have verifications of transactions made, should first take up the matter as to procedure with a reporter in the Crowd where the security is dealt in or with the section supervisor at the post.

*****

Comparisons and Exchange of Contracts (Rules 130—143)

Rule 130. Overnight Comparison of Exchange Transactions

<u>Except for manual transactions pursuant to Rule 76, t</u>[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) Unless otherwise specified by rule, each transaction effected on the Exchange shall be processed anonymously and compared or otherwise closed out by the close of business on the Exchange on the business day following the day of the contract. All reports associated with such transactions will indicate the details of such transactions and shall not reveal contra-party identities.

*****

Rule 131. Comparison—Requirements for Reporting Trades and Providing Facilities

<u>Except for manual transactions pursuant to Rule 76, t</u>[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) Duty to Report Transactions

It shall be the duty of every member to report each transaction made by him on the Floor as promptly as possible, but no later than one hour after the close of business on that day to his office, to the office of the member or member organization clearing for him or his member organization, or to the office of his principal, as the case may be, where adequate facilities to effect comparison are maintained. The Exchange may change the time requirements specified herein as it may determine.

*****

Rule 132. Comparison and Settlement of Transactions Through A Fully-Interfaced or Qualified Clearing Agency

<u>Except for manual transactions pursuant to Rule 76, t</u>[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) Each party to a contract shall submit data regarding its side of the contract ("trade data") to a Fully-Interfaced Clearing Agency for comparison or settlement, but each party shall be free to select the Fully-Interfaced Clearing Agency of its choice for such purpose. Where the parties to a contract do not choose Fully-Interfaced Clearing Agencies for the comparison of such contract, they shall both submit trade data to the same Qualified Clearing Agency for comparison pursuant to the rules of such Clearing Agency and where such parties do not choose Fully-Interfaced Clearing Agencies for the settlement of such contract, they shall both submit the same transaction to the same Qualified Clearing Agency for settlement pursuant to the rules of such Clearing Agency; provided, however, that this paragraph (a) shall not apply if (i) it is otherwise stipulated in the bid or offer, (ii) it is otherwise mutually agreed upon by both parties to the contract, or (iii) the Fully-Interfaced or Qualified Clearing Agency selected by either party to the contract refuses to act in the matter.

*****

Rule 134. Differences and Omissions-Cleared Transactions

Except for manual transactions pursuant to Rule 76, paragraphs (a) – (c) of t[T]his Rule [is]are not applicable to trading UTP Securities on the Pillar trading platform.

("QTs")

(a) When a clearing member organization submits a transaction in a listed stock or in a listed bond which it executed on the Exchange to the Exchange or to a Qualified Clearing Agency pursuant to the rules of such Exchange or Qualified Clearing Agency as a comparison item, and learns that it is uncompared, it shall resolve such comparison item on the first business day after the trade date through the facilities of the Correction System (the "System") during the time that such System is available for use.

*****

Rule 135. Differences and Omissions—Non-cleared Transactions ("DK's")

Except for manual transactions pursuant to Rule 76, t[T]his Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) When a comparison of a transaction executed on the Exchange which is not submitted to the Exchange or to a Qualified Clearing Agency for comparison pursuant to the rules of such Exchange or Qualified Clearing Agency is received and the recipient has no knowledge of the transaction, the comparison shall be stamped "Don't Know," dated and initialed by the person so marking the same, and the comparison form, so stamped, shall be returned immediately to the seller; and

*****

Rule 440B. Short Sales

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

Short Sales

(a) **Definitions**. For purposes of this Rule, the terms "covered security", "listing market", and "national best bid" shall have the same meaning as such terms have in Rule 201 of Regulation SHO.

*****

Automatic Executions (Rules 1000—1004)

Rule 1000. Automatic Executions

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

Maximum Order Size for Automatic Executions

Market and limit orders of such size as the Exchange may specify from time to time are eligible to initiate or participate in automatic executions. Orders up to 1,000,000 shares are eligible for automatic execution. Incoming orders of more than 1,000,000 shares that are marketable on arrival will be rejected. Upon advance notice to market participants, the Exchange may increase the order size eligible for automatic executions up to 5,000,000 shares on a security-by-security basis.

*****

Rule 1001. Execution of Automatically Executing Orders

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

(a) Subject to Rule 1000, automatically executing orders shall be executed and immediately reported. The contra side of the execution shall be as follows:

*****

Rule 1002. Availability of Automatic Execution Feature

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

Automatic executions in a particular security, including Investment Company Units (as defined in paragraph 703.16 of the Listed Company Manual), Trust Issued Receipts (as defined in Rule 1200), streetTRACKS® Gold Shares (as defined in Rule 1300 et seq.), Currency Trust Shares (as defined in Rule 1300A et seq.), Commodity Trust Shares (as defined in Rule 1300B et seq.) or any security governed by Rule series 1100, 1200, 1300, 1300A or 1300B, shall be available after the Exchange has disseminated a published bid or offer in the relevant security, until the close of regular trading on the Exchange in such security Orders that are entered prior to the dissemination of a bid or offer in the relevant security shall be handled as non-auto-ex market or limit orders except that an incoming commitment to trade received through ITS will be cancelled.

*****

Rule 1004. Election of Buy Minus Zero Plus Orders

This Rule is not applicable to trading UTP Securities on the Pillar trading platform.

Automatic executions of transactions reported to the Consolidated Tape shall elect Buy Minus Zero Plus orders electable at the price of such executions. Any Buy Minus Zero Plus orders so elected shall be automatically executed as Market Orders pursuant to Exchange rules.

*****