November 24, 2020

<u>**VIA E-MAIL**</u>

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

Re: <u>SEC Release No. 34-89723 (SR-NYSEAmer-2020-64)</u>

Dear Secretary:

NYSE American, LLC. filed the attached Amendment No. 1 to the above-referenced filing on November 24, 2020.

Sincerely,

(Encl. Amendment No. 1 to SR-NYSEAmer-2020-64)

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 52

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

File No.* SR - 2020 - * 64

Amendment No. (req. for Amendments *) 1

Filing by NYSE American 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) *
☐	☑	☐	☑	☐	☐

Pilot	Extension of Time Period for Commission Action *	Date Expires *	Rule
☐	☐		▣ 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

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

Section 806(e)(1) *	Section 806(e)(2) *	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 *).

Proposal to modify Rules 971.1NY and 971.2NY

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 * Kathleen   Last Name * Murphy

Title * Senior Counsel, NYSE Group Inc.

E-mail * ██████████████████

Telephone * ████████   Fax ████████

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.

(Title *)

Date 11/24/2020   Associate General Counsel

By Clare Saperstein

(Name *)

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.

Clare Saperstein,

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 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] NYSE American LLC ("NYSE American" or the "Exchange") is proposing to modify Rule 971.1NY regarding its Customer Best Execution ("CUBE") auction to provide optional all-or-none functionality for larger-sized orders. This Amendment No. 1 supersedes the original filing 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 is required under the Exchange's governing documents. Therefore, the Exchange's internal procedures with respect to the proposed rule change are complete.

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

<div align="center">

Kathleen E. Murphy
Senior Counsel
NYSE Group, Inc.
███████████

</div>

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

    (a) Purpose

    The Exchange proposes to expand its electronic crossing mechanism -- the CUBE Auction, to provide optional all-or-none ("AON")[3] functionality for ATP Holders

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

[2] 17 CFR 240.19b-4.

[3] An All-or-None Order or AON Order is a "Market or Limit Order that is to be

to execute larger-sized orders (i.e., 500 or more contracts) in the Single-Leg CUBE Auction.[4] The Exchange seeks to expand the CUBE Auction functionality in a manner consistent with similar price-improvement mechanisms for larger-sized orders already available on other options exchanges.[5] As such, this is a filing that will allow the Exchange to compete with other options exchanges for such larger-sized orders and would benefit market participants who are already familiar with such price-improvement mechanisms.

The CUBE Auction operates seamlessly with the Consolidated Book – while still affording CUBE Orders an opportunity to receive price improvement.[6] The proposal to expand the current CUBE Auction functionality by providing an additional (optional) method for market participants to effect larger-sized orders in the CUBE Auction would likewise operate seamlessly with the Consolidated

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executed on the Exchange in its entirety or not at all." <u>See</u> Rule 900.3NY(d)(4).

[4] <u>See</u> proposed Rules 971.1NY, Commentary .05. Capitalized terms have the same meaning as the defined terms in Rule 971.1NY.

[5] <u>See</u>, <u>e.g.,</u> Cboe Exchange, Inc. ("Cboe") Rules 5.39 (Solicitation Auction Mechanism ("SAM" or "SAM Auction") (describing SAM Auction as an electronic crossing mechanism for single-leg paired orders of 500 or more contracts, which their system automatically treats as All-Or-None, where the solicited contra order(s) trades entirely with the agency order at the stop price unless, in the aggregate, the agency order can be filled entirely by responses to the auction at improved prices or, if there are Priority Customer orders at the stop price, by such Priority Customer orders alone or in combination with responses to the auction at the stop price or improved prices. If there are Priority Customer orders at the stop price but insufficient size of such orders alone or when aggregated with responses at the stop price or better prices to fill the agency order, both the agency order and solicited contra order(s) will be cancelled). The Exchange notes that Cboe's affiliated exchanges similarly offer such auction mechanism for larger-sized orders. <u>See</u>, <u>e.g.,</u> Cboe EDGX Exchange, Inc. ("Cboe EDGX") Rules 21.21 (SAM). Although Cboe (and Cboe EDGX) rules are separate from their price improvement auction rules (i.e., Automated Improvement Mechanism ("AIM")), SAM Auctions function in a substantially similar manner as AIM, with the differences relating primarily to the minimum size requirement and all-or-none nature of SAM. The Exchange also notes that similar mechanisms are available on other options exchanges. <u>See</u>, <u>e.g.,</u> Nasdaq ISE LLC ("ISE"), Options 3, Section 11(d) (setting forth its Solicited Order Mechanism).

[6] <u>See</u> Rule 900.2NY(14) (defining Consolidated Book (or "Book") and providing that all quotes and orders "that are entered into the Book will be ranked and maintained in accordance with the rules of priority as provided in Rule 964NY"). Rule 964NY (Display, Priority and Order Allocation - Trading Systems) dictates the priority of quotes and orders.

Book. The Exchange also believes this proposal would encourage ATP Holders to compete vigorously to provide the opportunity for price improvement for larger-sized orders in a competitive auction process, which may lead to enhanced liquidity and tighter markets.

Proposed AON Single-Leg CUBE functionality

The Exchange proposes to add new Commentary .05 to Rule 971.1NY to provide that a CUBE Order of at least 500 contracts would execute in full at the single stop price against the Contra Order, except under specified circumstances (the "AON CUBE Order").[7] As further proposed, a Contra Order would not be permitted to guarantee an AON CUBE Order for auto-match or an auto-match limit, which features are otherwise available in a Single-Leg CUBE Auction.[8]

The initiating price and permissible range of executions for a proposed AON CUBE Order would be determined in the same manner as for a standard CUBE Order.[9] An AON CUBE Order Auction would also be subject to the same early end events as a Single-Leg CUBE Order.[10]

As proposed, an AON CUBE Order would not execute with the Contra Order if the entire AON CUBE Order can be satisfied in full by certain eligible contra-side interest. Specifically, the Exchange proposes that paragraph (a) to Commentary .05 to Rule 971.1NY would provide that:

> (a) the Contra Order would not receive any allocation and will be cancelled if (i) RFR Responses to sell (buy) at prices lower (higher) than the stop price can satisfy the full quantity of the AON CUBE Order or (ii) there is Customer interest to sell (buy) at the stop price that on its own, or when aggregated with RFR Responses to sell (buy) at the stop price or prices lower (higher) than the stop price, can satisfy the full quantity of the AON CUBE

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[7] See proposed Commentary .05, Rule 971.1NY. See Rule 971.1NY(c)(1)(A) (setting forth parameters for single stop price). An AON CUBE Order would be rejected for the same reasons as a CUBE Order (see Rule 971.1NY(b)(2)-(10)), except that the minimum size is 500 contracts, as opposed to one contract, as set forth in Rule 971.1NY(b)(8).

[8] See proposed Commentary .05, Rule 971.1NY. See also Rule 971.1NY(c)(1)(B)-(C) (regarding parameters for auto-match and auto-match limit price).

[9] An AON CUBE Order and its paired Contra Order would be rejected if it failed to meet the pricing parameters. See Rule 971.1NY(b) (regarding auction eligibility requirements).

[10] See Rule 971.1NY(c)(4) (setting forth the type of interest that causes the early end to a Single-Leg CUBE Auction).

Order. In either such case, the RFR Responses will be allocated as provided for in paragraphs (c)(5)(A) and (c)(5)(B)(i) of this Rule, as applicable.[11]

Thus, if there is price-improving contra-side interest that can satisfy the AON condition of the Auction, the AON CUBE Order would execute in full against those price-improving RFR Responses and the Contra Order would cancel. Or, absent such price-improving interest, if there is Customer interest equal to the stop price that on its own, or when combined with equal- or better-priced RFR Responses, that can satisfy the AON condition of the Auction, the AON CUBE Order would execute in full against such interest and the Contra Order would cancel. Under either scenario, the AON CUBE Order would be allocated against contra-side interest at the best price(s) pursuant to the Exchange's priority rules.[12]

As further proposed, both the AON CUBE Order and Contra Order would be cancelled, i.e., the Auction would be cancelled, if there is contra-side Customer interest at the stop price and such interest on its own or when combined with RFR Responses (at the stop price or better) is insufficient to satisfy the entire AON CUBE Order. To effect this, the Exchange proposes that paragraph (b) to Commentary .05 to Rule 971.1NY would provide that:

> (b) the AON CUBE Order and Contra Order will both be cancelled if there is Customer interest to sell (buy) at the stop price and such interest, either on its own or when aggregated with RFR Responses to sell (buy) at the stop price or prices lower (higher) than the stop price, is insufficient to satisfy the full quantity of the AON CUBE Order.[13]

Thus, as proposed, if there is contra-side Customer interest at the stop price, but there is not enough size (considering the Customer interest and all RFR Responses at the stop price or better) to satisfy the entire AON CUBE Order, then both the AON CUBE Order and the Contra Order would be cancelled. The Exchange believes that this proposal is consistent with the terms of how AONs

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[11]   See proposed Commentary .05, Rule 971.1NY(a).

[12]   See Rule 971.1NY (c)(5)(A) (providing Customer interest first priority to trade with the CUBE Order, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point) and (c)(5)(B)(i) (providing that, second to Customer interest, RFR Responses priced below (above) the stop price, beginning with the lowest (highest) price within the range of permissible executions will execute with the CUBE Order, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point).

[13]   See proposed Commentary .05, Rule 971.1NY(b).

function generally without violating the Exchange's general priority rules.[14] With respect to allocation, the Exchange notes that the proposed functionality differs from the allocation of a standard Single-Leg CUBE Order in that the Contra Order is not guaranteed a minimum allocation at the stop price. Instead, given the AON nature of the functionality, the Contra Order either trades with the entire AON CUBE Order or not at all.[15] This proposal is also consistent with the AON nature of similar mechanisms on other options exchanges.[16]

With the exception of differences to the minimum size and allocation described in proposed Commentary .05 to Rule 971.1NY, an AON CUBE Order would otherwise be subject to Rule 971.1NY with respect to all other aspects of the CUBE Auction functionality.[17]

Implementation

The Exchange will announce the implementation date of the proposed rule change in a Trader Update following the approval of this proposed rule change.

(b)   Statutory Basis

For the reasons set forth above, the Exchange believes the proposed rule change is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act, in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed functionality is intended to benefit investors, because it is designed to provide investors seeking to execute large option orders in the CUBE Auction with greater certainty regarding the price at which the order would be executed. This proposal would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would provide ATP Holders that locate liquidity for their customers' larger-sized orders a facility in

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[14]   See Rule 964NY (regarding order ranking and priority).

[15]   See Rule 971.1NY(c)(5)(B)(i)(b) (providing that, "if there is sufficient size of the CUBE Order still available after executing at better prices or against Customer interest, the Contra Order shall receive additional contracts required to achieve an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response)").

[16]   See supra note 5 (regarding Cboe's SAM functionality for larger-sized paired orders designated as AON).

[17]   See proposed Commentary .05, Rule 971.1NY.

which to execute those orders at the agreed-upon price, while also providing an opportunity for such orders to be price improved if the full quantity can be price improved. The Exchange believes the proposed functionality would promote and foster competition and provide more options contracts with the opportunity for price improvement.

The Exchange believes that the proposed functionality would provide more efficient transactions, reduce execution risk to ATP Holders, and afford greater execution opportunities for larger-sized orders. The proposed functionality would operate within the Single-Leg CUBE such that the Exchange is able to assure that the proposed functionality would continue to respect the priority of interest, in particular Customer interest, either when resting on the Consolidated Book when an Auction commences or that arrives during an AON CUBE Auction. The proposal ensures that the AON CUBE Order is exposed to ATP Holders for the possibility of price improvement and that Customer orders on the Exchange are protected. As noted above, at the conclusion of an AON CUBE Auction, the AON CUBE Order would be executed in full (against the Contra Order or eligible contra-side auction interest) or would be cancelled, together with the Contra Order.

Further, the proposed functionality is reasonable and promotes a fair and orderly market and national market system, because it is substantially similar to the price improvement mechanisms for larger-sized orders available on other options exchanges. The Exchange believes this proposal may lead to an increase in Exchange volume and should allow the Exchange to better compete against other markets that already offer an all-or-none electronic solicitation mechanism for larger-sized orders. The Exchange believes that its proposal would allow the Exchange to better compete for solicited transactions, while providing an opportunity for price improvement on the larger-sized orders. In addition, the proposed functionality should promote and foster competition and provide more options contracts with the opportunity for price improvement, which should benefit market participants.

4.   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 Exchange is proposing the functionality as an optional market enhancement that, if utilized, should increase competition for ATP Holders seeking to execute larger-sized orders in an electronic auction mechanism. The Exchange notes that other options exchanges offer electronic auction mechanisms for larger-sized orders on an AON basis. The Exchange believes the proposed functionality would provide ATP Holders with a greater choice of exchanges from which to execute such orders. The proposal is structured to offer the same enhancement to all market participants and would not impose an intra-market competitive burden on any participant. The price improvement functionality for the AON CUBE Auction is designed to promote

competition for ATP Holders to compete amongst each other by responding with not only their best price, but also the full size for a particular auction.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality. The Exchange believes that the proposed rule change will relieve any burden on, or otherwise promote, competition. The Exchange believes this proposed rule change is necessary to permit fair competition among the options exchanges and to establish more uniform price improvement auction rules on the various options exchanges. The proposed functionality may lead to an increase in Exchange volume and should allow the Exchange to better compete against other markets that already offer similar price improvement mechanisms for larger-sized orders. The Exchange anticipates that this proposal will create new opportunities for the Exchange to attract new business and compete on equal footing with those options exchanges that offer auction AON functionality for larger-sized orders and for this reason the proposal does not create an undue burden on intermarket competition. By contrast, not having the proposed functionality places the Exchange at a competitive disadvantage vis-à-vis other exchanges that offer similar price improvement mechanisms for larger-sized orders.

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

Not applicable.

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

The Exchange believes that Amendment No. 1 qualifies for accelerated effectiveness in accordance with Section 19(b)(2) of the Act. The Exchange's proposal to modify to modify Rules 971.1NY and 971.2NY regarding its CUBE auction to provide optional all-or-none functionality for larger-sized orders (the "original filing") was published in the Federal Register on October 20, 2020 and, as of the date of this Amendment No. 1, no comments regarding the original filing were submitted. Amendment No. 1, which supersedes and replaces the original filing in its entirety, eliminates proposed Commentary .04 to Rule 971.2NY regarding AON Complex CUBE functionality and, clarifies and amplifies the original filing as it relates to the proposed AON Single-Leg CUBE functionality, in particular, the priority of Customer interest that is resting before or arrives during an AON CUBE Auction and the circumstances under which such interest would execute with the AON CUBE Order or cause both the AON CUBE Order

and Contra Order to cancel depending on the size of eligible contra-side interest.

The Exchange believes that there is good cause for the Commission to accelerate effectiveness because the modifications and clarifications set forth in Amendment No. 1 are to improve the proposed optional functionality to make clear how Customer interest that is resting before or arrives during a CUBE Auction would be processed. Moreover, the proposed changes set forth in Amendment No. 1 are consistent with principles of price/time priority and the Exchange's Customer priority rules. In addition, the Exchange believes that Amendment No. 1 is non-controversial and, does not pose an undue burden on competition, and does not raise any novel issues as the proposed functionality, which is optional, because the proposed rule change is substantially similar to the price improvement mechanisms for larger-sized orders available on other options exchanges.[18] The proposed functionality for Single-Leg CUBE Orders would provide interested market participants with an additional price-improvement auction mechanism that will provide them with greater flexibility in executing larger-sized orders. The Exchange believes this proposed rule change is necessary to permit fair competition among the options exchanges and to establish more uniform auction rules on the various options exchanges.

The proposed functionality would not significantly affect the protection of investors or the public interest because, except for the changes to the allocation of an AON CUBE Order, the proposed new functionality would operate within the existing Single-Leg CUBE mechanism such that the Exchange is able to assure that the proposed functionality would continue to respect the priority of Customer interest and the Consolidated Book.

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

    The proposal is substantially similar to Cboe Rules 5.39 and 5.40 and Cboe EDGX rules 21.21 and 21.23. The proposed functionality is also consistent with the Solicitation Mechanisms set forth in ISE, Options 3, Section 11(d) and (e).

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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[18] See, e.g., supra note 5 (regarding Cboe's SAM and c-SAM functionality).

11. <u>Exhibits</u>

      Exhibit 1 –Form of Notice of Proposed Rule Change for <u>Federal</u> <u>Register</u>

      Exhibit 5 –Text of Proposed Changes

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-NYSEAMER-2020-64, Amendment No. 1)

[Date]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing of Proposed Rule
Change to Modify Rule 971.1NY

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 November 24, 2020, NYSE

American LLC ("NYSE American" 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 to modify Rule 971.1NY regarding its Customer Best

Execution ("CUBE") auction to provide optional all-or-none functionality for larger-

sized orders. This Amendment No. 1 supersedes the original filing 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.

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

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

2   15 U.S.C. 78a.

3   17 CFR 240.19b-4.

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

The Exchange proposes to expand its electronic crossing mechanism -- the CUBE

Auction, to provide optional all-or-none ("AON")[4] functionality for ATP Holders to

execute larger-sized orders (i.e., 500 or more contracts) in the Single-Leg CUBE

Auction.[5] The Exchange seeks to expand the CUBE Auction functionality in a manner

consistent with similar price-improvement mechanisms for larger-sized orders already

available on other options exchanges.[6] As such, this is a filing that will allow the

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[4] An All-or-None Order or AON Order is a "Market or Limit Order that is to be executed on the Exchange in its entirety or not at all." See Rule 900.3NY(d)(4).

[5] See proposed Rules 971.1NY, Commentary .05. Capitalized terms have the same meaning as the defined terms in Rule 971.1NY.

[6] See, e.g., Cboe Exchange, Inc. ("Cboe") Rules 5.39 (Solicitation Auction Mechanism ("SAM" or "SAM Auction") (describing SAM Auction as an electronic crossing mechanism for single-leg paired orders of 500 or more contracts, which their system automatically treats as All-Or-None, where the solicited contra order(s) trades entirely with the agency order at the stop price unless, in the aggregate, the agency order can be filled entirely by responses to the auction at improved prices or, if there are Priority Customer orders at the stop price, by such Priority Customer orders alone or in combination with responses to the auction at the stop price or improved prices. If there are Priority Customer orders at the stop price but insufficient size of such orders alone or when aggregated with responses at the stop price or better prices to fill the agency order, both the agency order and solicited contra order(s) will be cancelled). The Exchange notes that Cboe's affiliated exchanges similarly offer such auction mechanism for larger-sized orders. See, e.g., Cboe EDGX Exchange, Inc. ("Cboe

Exchange to compete with other options exchanges for such larger-sized orders and would benefit market participants who are already familiar with such price-improvement mechanisms.

The CUBE Auction operates seamlessly with the Consolidated Book – while still affording CUBE Orders an opportunity to receive price improvement.[7]

The proposal to expand the current CUBE Auction functionality by providing an additional (optional) method for market participants to effect larger-sized orders in the CUBE Auction would likewise operate seamlessly with the Consolidated Book. The Exchange also believes this proposal would encourage ATP Holders to compete vigorously to provide the opportunity for price improvement for larger-sized orders in a competitive auction process, which may lead to enhanced liquidity and tighter markets.

Proposed AON Single-Leg CUBE functionality

The Exchange proposes to add new Commentary .05 to Rule 971.1NY to provide that a CUBE Order of at least 500 contracts would execute in full at the single stop price against the Contra Order, except under specified circumstances (the "AON CUBE

EDGX") Rules 21.21 (SAM). Although Cboe (and Cboe EDGX) rules are separate from their price improvement auction rules (i.e., Automated Improvement Mechanism ("AIM")), SAM Auctions function in a substantially similar manner as AIM, with the differences relating primarily to the minimum size requirement and all-or-none nature of SAM. The Exchange also notes that similar mechanisms are available on other options exchanges. See, e.g., Nasdaq ISE LLC ("ISE"), Options 3, Section 11(d) (setting forth its Solicited Order Mechanism).

[7]   See Rule 900.2NY(14) (defining Consolidated Book (or "Book") and providing that all quotes and orders "that are entered into the Book will be ranked and maintained in accordance with the rules of priority as provided in Rule 964NY"). Rule 964NY (Display, Priority and Order Allocation - Trading Systems) dictates the priority of quotes and orders.

Order").[8] As further proposed, a Contra Order would not be permitted to guarantee an AON CUBE Order for auto-match or an auto-match limit, which features are otherwise available in a Single-Leg CUBE Auction.[9]

The initiating price and permissible range of executions for a proposed AON CUBE Order would be determined in the same manner as for a standard CUBE Order.[10] An AON CUBE Order Auction would also be subject to the same early end events as a Single-Leg CUBE Order.[11]

As proposed, an AON CUBE Order would not execute with the Contra Order if the entire AON CUBE Order can be satisfied in full by certain eligible contra-side interest. Specifically, the Exchange proposes that paragraph (a) to Commentary .05 to Rule 971.1NY would provide that:

> (a) the Contra Order would not receive any allocation and will be cancelled if (i) RFR Responses to sell (buy) at prices lower (higher) than the stop price can satisfy the full quantity of the AON CUBE Order or (ii) there is Customer interest to sell (buy) at the stop price that on its own, or when aggregated with RFR

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[8] See proposed Commentary .05, Rule 971.1NY. See Rule 971.1NY(c)(1)(A) (setting forth parameters for single stop price). An AON CUBE Order would be rejected for the same reasons as a CUBE Order (see Rule 971.1NY(b)(2)-(10)), except that the minimum size is 500 contracts, as opposed to one contract, as set forth in Rule 971.1NY(b)(8).

[9] See proposed Commentary .05, Rule 971.1NY. See also Rule 971.1NY(c)(1)(B)-(C) (regarding parameters for auto-match and auto-match limit price).

[10] An AON CUBE Order and its paired Contra Order would be rejected if it failed to meet the pricing parameters. See Rule 971.1NY(b) (regarding auction eligibility requirements).

[11] See Rule 971.1NY(c)(4) (setting forth the type of interest that causes the early end to a Single-Leg CUBE Auction).

Responses to sell (buy) at the stop price or prices lower (higher)

than the stop price, can satisfy the full quantity of the AON CUBE

Order. In either such case, the RFR Responses will be allocated as

provided for in paragraphs (c)(5)(A) and (c)(5)(B)(i) of this Rule,

as applicable.[12]

Thus, if there is price-improving contra-side interest that can satisfy the AON

condition of the Auction, the AON CUBE Order would execute in full against those

price-improving RFR Responses and the Contra Order would cancel. Or, absent such

price-improving interest, if there is Customer interest equal to the stop price that on its

own, or when combined with equal- or better-priced RFR Responses, that can satisfy the

AON condition of the Auction, the AON CUBE Order would execute in full against such

interest and the Contra Order would cancel. Under either scenario, the AON CUBE Order

would be allocated against contra-side interest at the best price(s) pursuant to the

Exchange's priority rules.[13]

As further proposed, both the AON CUBE Order and Contra Order would be

cancelled, i.e., the Auction would be cancelled, if there is contra-side Customer interest at

the stop price and such interest on its own or when combined with RFR Responses (at the

stop price or better) is insufficient to satisfy the entire AON CUBE Order. To effect this,

the Exchange proposes that paragraph (b) to Commentary .05 to Rule 971.1NY would

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[12]   See proposed Commentary .05, Rule 971.1NY(a).

[13]   See Rule 971.1NY (c)(5)(A) (providing Customer interest first priority to trade
with the CUBE Order, pursuant to the size pro rata algorithm set forth in Rule
964NY(b)(3) at each price point) and (c)(5)(B)(i) (providing that, second to
Customer interest, RFR Responses priced below (above) the stop price, beginning
with the lowest (highest) price within the range of permissible executions will
execute with the CUBE Order, pursuant to the size pro rata algorithm set forth in
Rule 964NY(b)(3) at each price point).

provide that:

> (b) the AON CUBE Order and Contra Order will both be cancelled
> if there is Customer interest to sell (buy) at the stop price and such
> interest, either on its own or when aggregated with RFR Responses
> to sell (buy) at the stop price or prices lower (higher) than the stop
> price, is insufficient to satisfy the full quantity of the AON CUBE
> Order.[14]

Thus, as proposed, if there is contra-side Customer interest at the stop price, but there is not enough size (considering the Customer interest and all RFR Responses at the stop price or better) to satisfy the entire AON CUBE Order, then both the AON CUBE Order and the Contra Order would be cancelled. The Exchange believes that this proposal is consistent with the terms of how AONs function generally without violating the Exchange's general priority rules.[15] With respect to allocation, the Exchange notes that the proposed functionality differs from the allocation of a standard Single-Leg CUBE Order in that the Contra Order is not guaranteed a minimum allocation at the stop price. Instead, given the AON nature of the functionality, the Contra Order either trades with the entire AON CUBE Order or not at all.[16] This proposal is also consistent with the AON nature of

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[14]   See proposed Commentary .05, Rule 971.1NY(b).

[15]   See Rule 964NY (regarding order ranking and priority).

[16]   See Rule 971.1NY(c)(5)(B)(i)(b) (providing that, "if there is sufficient size of the CUBE Order still available after executing at better prices or against Customer interest, the Contra Order shall receive additional contracts required to achieve an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response)").

similar mechanisms on other options exchanges.[17]

With the exception of differences to the minimum size and allocation described in proposed Commentary .05 to Rule 971.1NY, an AON CUBE Order would otherwise be subject to Rule 971.1NY with respect to all other aspects of the CUBE Auction functionality.[18]

Implementation

The Exchange will announce the implementation date of the proposed rule change in a Trader Update following the approval of this proposed rule change.

2.   Statutory Basis

For the reasons set forth above, the Exchange believes the proposed rule change is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act, in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed functionality is intended to benefit investors, because it is designed to provide investors seeking to execute large option orders in the CUBE Auction with greater certainty regarding the price at which the order would be executed. This proposal would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would provide ATP Holders that locate liquidity for their customers' larger-sized orders a facility in which to execute those orders at the agreed-upon price, while also providing an opportunity for such orders to be price

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[17]   See supra note 6 (regarding Cboe's SAM functionality for larger-sized paired orders designated as AON).

[18]   See proposed Commentary .05, Rule 971.1NY.

improved if the full quantity can be price improved. The Exchange believes the proposed

functionality would promote and foster competition and provide more options contracts

with the opportunity for price improvement.

The Exchange believes that the proposed functionality would provide more

efficient transactions, reduce execution risk to ATP Holders, and afford greater execution

opportunities for larger-sized orders. The proposed functionality would operate within the

Single-Leg CUBE such that the Exchange is able to assure that the proposed functionality

would continue to respect the priority of interest, in particular Customer interest, either

when resting on the Consolidated Book when an Auction commences or that arrives

during an AON CUBE Auction. The proposal ensures that the AON CUBE Order is

exposed to ATP Holders for the possibility of price improvement and that Customer

orders on the Exchange are protected. As noted above, at the conclusion of an AON

CUBE Auction, the AON CUBE Order would be executed in full (against the Contra

Order or eligible contra-side auction interest) or would be cancelled, together with the

Contra Order.

Further, the proposed functionality is reasonable and promotes a fair and orderly

market and national market system, because it is substantially similar to the price

improvement mechanisms for larger-sized orders available on other options exchanges.

The Exchange believes this proposal may lead to an increase in Exchange volume and

should allow the Exchange to better compete against other markets that already offer an

all-or-none electronic solicitation mechanism for larger-sized orders. The Exchange

believes that its proposal would allow the Exchange to better compete for solicited

transactions, while providing an opportunity for price improvement on the larger-sized

orders. In addition, the proposed functionality should promote and foster competition and provide more options contracts with the opportunity for price improvement, which should benefit market participants.

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 Exchange is proposing the functionality as an optional market enhancement that, if utilized, should increase competition for ATP Holders seeking to execute larger-sized orders in an electronic auction mechanism. The Exchange notes that other options exchanges offer electronic auction mechanisms for larger-sized orders on an AON basis. The Exchange believes the proposed functionality would provide ATP Holders with a greater choice of exchanges from which to execute such orders. The proposal is structured to offer the same enhancement to all market participants and would not impose an intra-market competitive burden on any participant. The price improvement functionality for the AON CUBE Auction is designed to promote competition for ATP Holders to compete amongst each other by responding with not only their best price, but also the full size for a particular auction.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality. The Exchange believes that the proposed rule change will relieve any burden on, or otherwise promote, competition. The Exchange believes this proposed rule change is necessary to permit fair competition among the options exchanges and to establish more uniform price improvement auction rules on the various options

exchanges. The proposed functionality may lead to an increase in Exchange volume and should allow the Exchange to better compete against other markets that already offer similar price improvement mechanisms for larger-sized orders. The Exchange anticipates that this proposal will create new opportunities for the Exchange to attract new business and compete on equal footing with those options exchanges that offer auction AON functionality for larger-sized orders and for this reason the proposal does not create an undue burden on intermarket competition. By contrast, not having the proposed functionality places the Exchange at a competitive disadvantage vis-à-vis other exchanges that offer similar price improvement mechanisms for larger-sized orders.

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-

    NYSEAMER-2020-64 on the subject line.

Paper comments:

- Send paper comments in triplicate to: Secretary, Securities and Exchange

    Commission, 100 F Street, NE, Washington, DC 20549-1090.

    All submissions should refer to File Number SR-NYSEAMER-2020-64. 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. Persons submitting comments are cautioned that we do not redact or edit

personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEAMER-2020-64 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.[19]

Eduardo A. Aleman
Deputy Secretary

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[19]   17 CFR 200.30-3(a)(12).

EXHIBIT 4

Text of the Proposed Rule Change:[1]

NYSE AMERICAN RULES

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Trading of Option Contacts

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Section 900NY. Rules Principally Applicable to Trading of Option Contracts

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Rule 971.1NY. Single-Leg Electronic Cross Transactions

(a) An ATP Holder ("Initiating Participant") may electronically submit for execution into the Customer Best Execution Auction ("CUBE Auction" or "Auction") a limit order it represents as agent on behalf of a public customer, broker dealer, or any other entity ("CUBE Order") provided that the Initiating Participant guarantees the execution of the CUBE Order by submitting a contra-side order ("Contra Order") representing principal interest or non-Customer interest it has solicited to trade solely with the CUBE Order at a specified price ("stop price") or by utilizing auto-match or auto-match limit features as described in paragraphs (c)(1)(B) and (c)(1)(C) of this Rule. The stop price and any use of auto-match or auto-match limit are not displayed. An Auction begins with an "initiating price," which for a CUBE Order to buy (sell) shall be the lower (higher) of the CUBE Order's limit price or the National Best Offer ("NBO") (National Best Bid ("NBB")), except as provided for in paragraph (b)(1)(B) of this Rule. At the conclusion of the Auction, the CUBE Order may execute at multiple prices within a permissible range, as specified in paragraph (b)(1) of this Rule.

(b) CUBE Auction Eligibility Requirements. All options traded on the Exchange are eligible for the CUBE Auction. For purposes of determining whether a CUBE Order is eligible to initiate an Auction, references to the National Best Bid or Offer ("NBBO") or Exchange Best Bid or Offer ("BBO") refer to the quoted market at the time the Auction is initiated. The time at which the Auction is initiated shall also be considered the time of execution for the CUBE Order and the execution of orders in the Auction shall qualify as exceptions to Trade-Through Liability, pursuant to Rule 991NY(b)(5) and (9). An Initiating Participant may initiate a CUBE Auction provided all of the following are met:

  (1) Range of Permissible Executions. A CUBE Order to buy (sell) may execute at prices equal to or between the initiating price as the upper (lower) bound and the NBB (NBO) as the lower (upper) bound, provided that:

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[1]   For changes made pursuant to the original filing, new text is underscored and deleted text is in brackets; for changes made pursuant to the first amendment, new text is italicized in bold and deleted text is struck-through.

(A)   If the CUBE Order to buy (sell) is for 50 contracts or more and there is Customer interest in the Consolidated Book at the Exchange Best Bid ("BB") (Exchange Best Offer ("BO")), the lower (upper) bound of executions shall be the higher (lower) of the BB plus one cent (BO minus one cent) or the NBB (NBO).

(B)   If the CUBE Order to buy (sell) is for fewer than 50 contracts, the initiating price shall be the lower (higher) of the CUBE Order's limit price, the NBO (NBB), or the BO minus one cent (BB plus one cent) and the lower (upper) bound of executions shall be the higher (lower) of the NBB (NBO) or the BB plus one cent (BO minus one cent).

(C)   If the BBO on the same side as the CUBE Order updates during the Auction, the range of permissible executions will adjust in accordance with the updated BBO, unless the incoming same-side interest that would update the BBO would cause the Auction to conclude early pursuant to paragraph (c)(4)(D) of this Rule.

(D)   If at the time the Auction is initiated, there is a Marketable Order to sell (buy) that has been displayed pursuant to Rule 967NY(a)(4)(A), the displayed price of the collared order minus (plus) one Trading Collar shall be considered the BO (BB) when determining the range of permissible executions.

(2)   CUBE Orders to buy (sell) with a limit price below (above) the lower (upper) bound of executions specified in paragraph (b)(1) of this Rule are not eligible to initiate an Auction and shall be rejected along with the Contra Order.

(3)   CUBE Orders, once accepted, will never execute outside the range of permissible executions and will never trade through their own limit price. Unrelated quotes and orders that participate in the Auction will never trade through their own limit price.

(4)   CUBE Orders submitted before the opening of trading are not eligible to initiate an Auction and shall be rejected, along with the Contra Order.

(5)   CUBE Orders submitted during the final second of the trading session in the affected series are not eligible to initiate an Auction and shall be

rejected, along with the Contra Order.

(6)   CUBE Orders for fewer than 50 contracts will be rejected when:

     (A)   the BBO is $0.01 wide; or

     (B)   the NBBO is $0.01 wide, unless the Initiating Participant guarantees the execution of the CUBE Order to buy (sell) at a price that is equal to the NBO minus one cent (NBB plus one cent), utilizing a single stop price, auto- match or auto-match limit as specified in paragraphs (c)(1)(A)-(C) of this Rule.

(7)   CUBE Orders may be entered in $.01 increments regardless of the MPV of the series involved. Contra Orders may be priced in one cent increments when specifying the stop price or the auto-match limit price (as described in paragraphs (c)(1)(A) and (c)(1)(C) of this Rule).

(8)   The minimum size requirement for a CUBE Order is one contract.

(9)   If the NBBO is locked or crossed when a CUBE Order is submitted, it will be rejected.

(10) CUBE Orders submitted during a trading halt are not eligible to initiate an Auction and will be rejected, along with the Contra Order.

(c) Auction Process. Only one Auction may be conducted at a time in any given series. Once commenced, the CUBE Order (as well as the Contra Order) may not be cancelled or modified, and shall proceed as follows:

(1) *Initiation of Auction*. To initiate the CUBE Auction, the Initiating Participant must mark the CUBE Order for Auction processing, and specify one of the following means of guaranteeing the execution of the CUBE Order:

(A) A single stop price. For a CUBE Order to buy (sell), an Initiating Participant may specify a single stop price that is equal to or below (above) the initiating price of the Auction. A stop price specified for a CUBE Order to buy (sell) that is below (above) the lower (upper) bound of the range of permissible executions will be repriced to the lower (upper) bound. A stop price specified for a CUBE Order to buy (sell) that is above (below) the initiating price is not eligible to initiate an Auction and both the CUBE Order and the Contra Order shall be rejected; or

(B) Auto-match. For a CUBE Order to buy (sell), the Initiating Participant will automatically match the price and size of all RFR Responses that are lower

(higher) than the initiating price and within the range of permissible executions; or

(C) Auto-match limit. For a CUBE Order to buy (sell), the Initiating Participant may specify an "auto-match limit price" that is equal to or below (above) the initiating price of the Auction, and the Contra Order may trade with the CUBE Order at prices that are lower (higher) than the initiating price down (up) to the auto-match limit price. An auto-match limit price specified for a CUBE Order to buy (sell) that is below (above) the lower (upper) bound of the range of permissible executions will be repriced to the lower (upper) bound.

(2) *CUBE Auction Request for Responses ("RFR") and Response Time Interval*

    (A)   Upon receipt of a CUBE Order, the Exchange shall send an RFR to all ATP Holders who subscribe to receive RFR messages. The RFR shall identify the series, the side and size of the CUBE Order, and the initiating price.

    (B)   The "Response Time Interval" means the period of time during which responses to the RFR may be entered. The Response Time Interval will last for a random period of time within parameters determined by the Exchange and announced by Trader Update. The minimum/maximum parameters for the Response Time Interval will be no less than 100 milliseconds and no more than one (1) second.

    (C)   Any ATP Holder may respond to the RFR, provided such response is properly marked specifying price, size and side of the market ("RFR Response"). The Auction shall accept RFR Responses as follows:

(i) GTX Order - A GTX Order is a non-routable order with a time-in-force contingency for the Response Time Interval and must specify price, size and side of the market.

  (a) GTX Orders shall not be displayed on the Consolidated Book or disseminated to any participants. A GTX Order that is not fully executed as provided for in paragraphs (c)(4) and (5) of this Rule shall be cancelled at the conclusion of the Auction.

  (b) The minimum price increment for GTX Orders shall be one cent, regardless of the MPV for the series involved in the Auction.

  (c) GTX Orders with a size greater than the size of the CUBE Order will be capped at the size of the CUBE Order.

  (d) GTX Orders may be cancelled or modified.

(e) GTX Orders on the same side of the market as the CUBE Order shall be rejected.

(f) For a CUBE Order to buy (sell), GTX Orders priced below (above) the lower (upper) bound of executions shall be repriced to the lower (upper) bound of executions, as specified in paragraph (b)(1) of this Rule.

(ii) Unrelated quotes and orders – Quotes and orders on the opposite side of the market in the same series as the CUBE Order that are not marked GTX, that are received during the Response Time Interval or resting in the Consolidated Book when the Auction commences, and that are eligible to participate within the range of permissible executions specified for the Auction pursuant to paragraph (b)(1) of this Rule shall also be considered RFR Responses.

(a) Quotes and orders received during the Response Time Interval that are not marketable against the NBBO and are not marked GTX shall be posted to the Consolidated Book.

(b) Quotes and orders received during the Response Time Interval that are on the same side as the CUBE Order to buy (sell) and are priced higher (lower) than the initiating price shall be posted to the Consolidated Book and result in an early conclusion of the Auction pursuant to paragraph (c)(4) of this Rule.

(c) Quotes and orders that are not marked GTX can only be priced in the MPV for the series in the Auction. A quote or non-GTX Order submitted with a one cent MPV when the series has either $0.05 or $0.10 MPV will be rejected as invalid.

(3) *Conclusion of Auction.* The CUBE Auction shall conclude at the end of the Response Time Interval. The CUBE Auction shall conclude earlier than the end of the Response Time Interval if there is a trading halt in the affected series or if there is an early conclusion event pursuant to paragraph (c)(4) of this Rule. If there is a trading halt in the affected series, the CUBE Order shall execute pursuant to paragraph (c)(5) of this Rule.

(4) *Early Conclusion of Auction.* A CUBE Auction shall conclude before the end of the Response Time Interval as described in paragraphs (c)(4)(A)-(F) of this Rule. If there is an early conclusion of the Auction, the CUBE Order will execute as follows:

(A) *New CUBE Order.* A CUBE Auction will conclude early if a new CUBE Order in the same series arrives during the Response Time Interval. When the Auction concludes, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule and the new CUBE Auction will then proceed as described in this paragraph (c).

(B) *Same Side Marketable Against RFR Responses or NBBO (or BBO) at the Time of Arrival.* A CUBE Auction will conclude early if the Exchange receives during

the Response Time Interval an unrelated quote or order that is on the same side of the market as the CUBE Order, that is marketable against any RFR Responses or the NBBO (or the BBO, for a non-routable order that is not a PNP Order) at the time of arrival. When the Auction concludes, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule. Any RFR Responses that do not execute in the CUBE Auction will execute against the unrelated quote or order that caused the CUBE Auction to conclude early to the extent possible and GTX Orders will then cancel. Contracts remaining, if any, from any unrelated quote or order when the Auction has concluded will be processed in accordance with Rule 964NY Order Display and Priority.

(C) *Opposite Side Marketable Against Interest in the Consolidated Book, the NBBO (or BBO) at the Time of Arrival*. A CUBE Auction will conclude early if the Exchange receives during the Response Time Interval any RFR Response that is marketable against any interest resting in the Consolidated Book, the NBBO (or the BBO, for a non-routable order that is not a PNP Order) at the time of arrival. When the Auction concludes, the CUBE Order will execute consistent with paragraph (b)(3) of this Rule and as follows:

(i) If the CUBE Auction concludes early because the Exchange receives during the Response Time Interval an unrelated marketable limit order or quote on the opposite side of the CUBE Order, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule. Contracts remaining, if any, from unrelated quotes or orders at the time the Auction concludes will be processed in accordance with Rule 964NY Order Display and Priority. Any unfilled GTX Orders will cancel.

(ii) If the CUBE Order is to buy (sell), the Initiating Participant has selected auto-match, the order that caused the Auction to conclude early is a market order to sell (buy), and no other RFR Responses have been received, the CUBE Order will execute against the unrelated market order at the midpoint of the initiating price and the lower (upper) bound of the range of permissible executions. If no midpoint is possible, the execution shall be rounded up (down) to the nearest whole penny toward the initiating price. Any unfilled size of the CUBE Order will then execute pursuant to paragraph (c)(5) of this Rule.

(iii) If the CUBE Order is to buy (sell), the Initiating Participant has selected auto-match, the order that caused the Auction to conclude early is a market order to sell (buy), and other RFR Responses were received before the arrival of that market order, the CUBE Order will execute against the unrelated market order at the lowest (highest) response price within the range of permissible executions. Any unfilled size of the CUBE Order will then execute pursuant to paragraph (c)(5) of this Rule. Any unfilled GTX Orders will cancel.

(iv) If the CUBE Order is to buy (sell), the Initiating Participant has selected a single stop price or the auto-match limit, and the order that caused the Auction

to conclude early is a market order to sell (buy), the CUBE Order will execute against the unrelated market order at the lowest (highest) price at which an execution could occur within the range of permissible executions, which may be an RFR Response price, the single stop or auto-match limit price. Any unfilled size of the CUBE Order will then execute pursuant to paragraph (c)(5) of this Rule. Any unfilled GTX Orders will cancel.

(D) *Same Side Incoming Interest Would Create an Adjusted Range of Permissible Executions that Improves initiating price*. A CUBE Auction will conclude early if the Exchange receives during the Response Time Interval an unrelated, non-marketable quote or limit order that is on the same side of the market as the CUBE Order to buy (sell) and that would adjust the lower (upper) bound of the range of permissible executions to be higher (lower) than the initiating price. When the Auction concludes, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule. Unfilled RFR Responses are eligible to execute against the unrelated interest that caused the CUBE Auction to conclude early and GTX Orders will then cancel. Contracts remaining, if any, from such unrelated quote or order at the time the Auction ends will be processed in accordance with Rule 964NY Order Display and Priority.

  (i) Same-side IOC Orders that otherwise would meet the requirements of paragraph (c)(4)(D) will cause an Auction to end early (and be processed thereunder) even if the IOC Order cancels without trading.

(D) AON orders, either those that are resting in the Consolidated Book prior to an Auction, or those that arrive during an Auction, may only trade if sufficient size remains to fill the entire AON order after the CUBE Order has been fully executed. If sufficient interest to fill an entire AON order is received during the Response Time Interval, the Auction will conclude early and the CUBE Order will be executed pursuant to paragraph (c)(5) of this Rule. Any unfilled GTX Orders will cancel. After the Auction concludes, the Exchange shall reevaluate whether the AON can be executed.

(E) A CUBE Auction will conclude early if the Broadcast Order Liquidity Delivery Mechanism (pursuant to Rule 994NY) receives an unrelated order in the same series during the Response Time Interval. When the Auction concludes, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule.

(5) *Order Allocation*. When the Auction concludes, any RFR Response that exceeds the size of the CUBE Order will be capped at the CUBE Order size for purposes of size pro rata allocation of the CUBE Order per Rule 964NY(b)(3), and the CUBE Order will be allocated at the best price(s) as follows:

(A) At each price level, any displayed Customer orders resting on the Consolidated Book at the start of the CUBE Auction shall have first priority, followed by

displayed Customer orders that arrived during the CUBE Auction as RFR Responses, pursuant to Rule 964NY(c)(2)(A).

(B) After displayed Customer interest at a particular price level has been satisfied, remaining contracts shall be allocated among the Contra Order and RFR Responses as follows:

(i) *Single stop price*: For a CUBE Order to buy (sell), CUBE executions will occur as follows:

(a) first to RFR Responses priced below (above) the stop price, beginning with the lowest (highest) price within the range of permissible executions. At each price point, the CUBE Order shall be allocated first to GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to any undisplayed RFR Responses at that price in time priority, pursuant to Rule 964NY(c).

(b) Any remaining contracts of the CUBE Order shall execute at the stop price. At the stop price, if there is sufficient size of the CUBE Order still available after executing at prices below (above) the stop price or against Customer interest, the Contra Order shall receive an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response). Any remaining CUBE Order contracts at the stop price shall be allocated first among remaining GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to undisplayed RFR Responses pursuant to Rule 964NY(c). If all RFR Responses are filled, any remaining CUBE Order contracts shall be allocated to the Contra Order.

(c) If there are no RFR Responses, the CUBE Order shall execute against the Contra Order at the higher (lower) of the stop price or the lower (upper) bound of the range of permissible executions.

(ii) Auto-match: For a CUBE Order to buy (sell), CUBE executions will occur as follows:

(a) the Contra Order shall be allocated an equal number of contracts as the aggregate size of all other RFR Responses at each price level starting with the lowest (highest) price at which an execution against an RFR Response occurs within the range of permissible executions until a price point is reached where the balance of the CUBE Order can be fully executed (the "clean-up price").

(b) At the clean-up price, if there is sufficient size of the CUBE Order still available after executing at better prices or against Customer interest, the

Contra Order shall receive additional contracts required to achieve an allocation equal to the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response). If the Contra Order meets its allocation guarantee at a price below (above) the clean-up price, it will cease matching RFR Responses that may be priced above (below) the price at which the Contra Order received its allocation guarantee. If there are other RFR Responses at the clean-up price, the remaining CUBE Order contracts will be allocated first to GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to any undisplayed RFR Responses at that price in time priority, pursuant to Rule 964NY(c). If all RFR Responses are filled, any remaining CUBE Order contracts shall be allocated to the Contra Order at the initiating price.

(c) If there are no RFR Responses, the CUBE Order shall execute against the Contra Order at the initiating price.

(iii) *Auto-match limit:* For a CUBE Order to buy (sell), CUBE executions will occur as follows:

(a) first to RFR Responses at each price level priced below (above) the auto-match limit price (if any) within the range of permissible executions, beginning with the lowest (highest) price. At each price point, the CUBE Order shall be allocated first to GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to any undisplayed RFR Responses at that price in time priority, pursuant to Rule 964NY(c);

(b) next, to RFR Responses at a price equal to the price of the Contra Order's auto-match limit price, and if volume remains, to prices higher (lower) than the auto-match limit price. At each price point equal to or higher (lower) than the auto-match limit price, the Contra Order shall be allocated contracts equal to the aggregate size of all other RFR Responses. At the clean-up price, if there is sufficient size of the CUBE Order still available after executing at better prices or against Customer interest, the Contra Order shall receive additional contracts required to achieve an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response). If the Contra Order meets its allocation guarantee at a price below (above) the clean-up price, it will cease matching RFR Responses that may be priced above (below) the price at which the Contra Order received its allocation guarantee. If there are other RFR Responses at the clean-up price the remaining CUBE Order contracts will be allocated first to GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to any undisplayed RFR Responses at

that price in time priority, pursuant to Rule 964NY(c). Any remaining CUBE Order contracts shall be allocated to the Contra Order at the initiating price.

(c) If there are no RFR Responses, the CUBE Order shall execute against the Contra Order at the initiating price.

(C) After the CUBE Order has been executed, any remaining RFR Responses not marked GTX will be processed in accordance with Rule 964NY Order Display and Priority.

(D) A single RFR Response shall not be allocated a number of contracts that is greater than its size.

Commentary:

.01Concurrent Single-Leg and Complex CUBE Auctions involving the same option series. A single-leg CUBE Auction for a series and a Complex CUBE Auction pursuant to Rule 971.2NY (Complex Electronic Cross Transactions) for a Complex Order that includes the same option series may occur concurrently. To the extent there are concurrent CUBE Auctions for a specific option series, each CUBE Auction will be processed sequentially based on the time each CUBE Auction commenced. At the time each CUBE Auction concludes, including when it concludes early, it will be processed pursuant to Rule 971.1NY(c)(5) or Rule 971.2NY(c)(4) as applicable.

.02 The following conduct shall be considered conduct inconsistent with just and equitable principles of trade:

(a) An ATP Holder entering RFR Responses to a CUBE Auction for which the ATP Holder is the Initiating Participant.

(b) Engaging in a pattern and practice of trading or quoting activity for the purpose of causing a CUBE Auction to conclude before the end of the Response Interval Time.

(c) An Initiating Participant that breaks up an agency order into separate CUBE Orders for the purpose of gaining a higher allocation percentage than the Initiating Participant would have otherwise received in accordance with the allocation procedures contained in paragraph (c)(5) of this Rule.

(d) Engaging in a pattern and practice of sending multiple RFR Responses at the same price that in the aggregate exceed the size of the CUBE Order.

.03 CUBE executions shall always be reported to OPRA as "stopped" trades.

.04 A CUBE Order will be rejected if it is in the same series as an order exposed pursuant to Rule 994NY (Broadcast Order Liquidity Delivery Mechanism).

.05 A CUBE Order of at least 500 contracts can be designated as AON (an "AON CUBE Order"). An AON CUBE Order to buy (sell) is not eligible for auto-match or auto-match limit and will execute in full with the Contra Order at the single stop price, provided that ~~the Contra Order will not receive an allocation if:~~

> ~~(a) RFR Responses to sell (buy) at prices lower (higher) than the stop price or Customer interest to sell (buy) at a price equal to the stop price, or both, that in the aggregate can satisfy the full quantity of the AON CUBE Order, in which case, the RFR Responses will be allocated as provided for in paragraphs (c)(5)(A) and (c)(5)(B)(i) of this Rule, as applicable.~~

~~RFR Responses and Customer interest to sell (buy) that do not meet the requirements of paragraph (a) of this Commentary will not receive an allocation in the Auction for the AON CUBE Order.~~

> *(a) the Contra Order will not receive any allocation and will be cancelled if (i) RFR Responses to sell (buy) at prices lower (higher) than the stop price can satisfy the full quantity of the AON CUBE Order or (ii) there is Customer interest to sell (buy) at the stop price that on its own, or when aggregated with RFR Responses to sell (buy) at the stop price or prices lower (higher) than the stop price, can satisfy the full quantity of the AON CUBE Order. In either such case, the RFR Responses will be allocated as provided for in paragraphs (c)(5)(A) and (c)(5)(B)(i) of this Rule, as applicable; or*

> *(b) the AON CUBE Order and Contra Order will both be cancelled if there is Customer interest to sell (buy) at the stop price and such interest, either on its own or when aggregated with RFR Responses to sell (buy) at the stop price or at prices lower (higher) than the stop price, is insufficient to satisfy the full quantity of the AON CUBE Order.*

Except as provided in this Commentary .05, an AON CUBE Order will be subject to all other aspects of the CUBE Auction functionality per Rule 971.1NY.

~~Rule 971.2NY. Complex Electronic Cross Transactions~~

~~(a) *Complex CUBE Order*. A Complex CUBE Order is a Complex Order, as defined in Rule 900.3NY(e), submitted electronically by an ATP Holder ("Initiating Participant") into the Complex Customer Best Execution Auction ("Complex CUBE Auction" or "Auction") that the Initiating Participant represents as agent on behalf of a public customer, broker dealer, or any other entity.~~

~~(1) The Initiating Participant guarantees the execution of such Complex CUBE Order by submitting a contra-side order ("Complex Contra Order") representing principal~~

interest or non-Customer interest it has solicited to trade solely with the Complex CUBE Order at either:

(A) a specified price ("single stop price") as described in paragraph (b)(1)(A) of this Rule; or

(B) an auto-match limit price as described in paragraph (b)(1)(B) of this Rule.

(2) The "CUBE BBO" is determined upon entry of a CUBE Order into the System and is the more aggressive of (i) the Complex BBO improved by $0.01, or (ii) the Derived BBO improved by: $0.01 multiplied by the smallest leg of the complex order strategy. The "same-side CUBE BBO" and "contra-side CUBE BBO" refer to the CUBE BBO on the same or opposite side of the market as the Complex CUBE Order, respectively. The CUBE BBO may be updated during the Auction pursuant to paragraph (a)(4) of this Rule.

(3) The "initiating price" for a Complex CUBE Order is the less aggressive of the net debit/credit price of such order or the price that locks the contra-side CUBE BBO.

(4) The "range of permissible executions" of a Complex CUBE Order is all prices equal to or between the initiating price and the same-side CUBE BBO.

(A) If the CUBE BBO updates during the Auction (the "updated CUBE BBO"), the range of permissible executions will adjust in accordance with the updated CUBE BBO, unless the interest that updated the CUBE BBO would cause the Auction to conclude early pursuant to paragraph (e)(3) of this Rule.

(b) *Complex CUBE Auction Eligibility Requirements.* All options traded on the Exchange are eligible to be part of a Complex CUBE Order. An Auction will be initiated provided all of the following conditions are met:

(1) The Initiating Participant marks the Complex CUBE Order for Auction processing, and specifies one of the following means of guaranteeing the execution of the Complex CUBE Order:

(A) A single stop price. The single "stop price" is the price at which the Initiating Participant guarantees the Complex CUBE Order. If an Initiating Participant specifies a single stop price, the stop price must be executable against the initiating price of the Auction. The Complex Contra Order may trade with the Complex CUBE Order at the stop price, pursuant to paragraph (e)(4) of this Rule. If the stop price crosses the same-side CUBE BBO, the Complex CUBE Order is not eligible to initiate an Auction and will be rejected along with the Complex Contra Order; or

(B) Auto-match limit price. The "auto-match limit price" is the most aggressive price at which the Initiating Participant is willing to trade with the Complex

~~CUBE Order. If an Initiating Participant specifies an "auto-match limit price," this price must be executable against the initiating price of the Auction. The Complex Contra Order may trade with the Complex CUBE Order at prices that are better than or equal to the initiating price until trading at the auto-match limit price, if applicable, pursuant to paragraph (c)(4) of this Rule. If the auto-match limit price crosses the same-side CUBE BBO, the Complex Contra Order will be priced back to lock the same-side CUBE BBO.~~

~~(2) A Complex CUBE Order that does not have a net debit/credit price that is equal to or better than the same-side CUBE BBO is not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.~~

~~(3) Complex CUBE Orders submitted before the opening of trading are not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.~~

~~(4) Complex CUBE Orders submitted during the final second of the trading session in the component series are not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.~~

~~(5) Complex CUBE Orders submitted during a trading halt are not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.~~

~~(c) Auction Process. The time at which the Auction is initiated will also be considered the time of execution for the Complex CUBE Order. Only one Complex CUBE Auction may be conducted at a time in any given complex order strategy and, once commenced, the Complex CUBE Order (as well as the Complex Contra Order) may not be cancelled or modified.~~

~~(1) *Complex CUBE Auction Request for Responses ("RFR") and Response Time Interval*~~

~~(A) Upon receipt of a Complex CUBE Order, the Exchange will send an RFR to all ATP Holders who subscribe to receive RFR messages. The RFR will identify the complex order strategy, the side and size of the Complex CUBE Order, and the initiating price.~~

~~(B) The "Response Time Interval" means the period of time during which responses to the RFR may be entered. The Response Time Interval will last for a random period of time within parameters determined by the Exchange and announced by Trader Update. The minimum/maximum parameters for the Response Time Interval will be no less than 100 milliseconds and no more than one (1) second.~~

~~(C) Any ATP Holder may respond to the RFR, provided such response is properly marked specifying price, size and side of the market ("RFR Response"). Any RFR Response that crosses the same-side CUBE BBO will be eligible to trade in the~~

Auction at a price that locks the same-side CUBE BBO. The Auction will accept RFR Responses as follows:

(i) Complex GTX Order—A Complex GTX Order is an Electronic Complex Order, as defined in Rule 980NY, with a time-in-force contingency for the Response Time Interval, which must specify price, size and side of the market.

(a) Complex GTX Orders will not be displayed on the Consolidated Book or disseminated to any participants. A Complex GTX Order that is not fully executed as provided for in paragraphs (c)(3) and (4) of this Rule will be cancelled at the conclusion of the Auction.

(b) GTX Orders with a size greater than the size of the Complex CUBE Order will be capped at the size of the Complex CUBE Order.

(c) Complex GTX Orders may be cancelled or modified.

(d) Complex GTX Orders on the same side of the market as the Complex CUBE Order will be rejected.

(ii) Unrelated Electronic Complex Orders—Electronic Complex Orders, as defined in Rule 980NY (including if designated as COA-eligible orders), on the opposite side of the market as the Complex CUBE Order that are received during the Response Time Interval will be considered RFR Responses (even though not marked as Complex GTX Orders), provided such orders can participate within the range of permissible executions specified for the Auction pursuant to paragraph (a)(4) of this Rule.

(2) *Conclusion of Auction.* The Auction will conclude at the end of the Response Time Interval. The Auction will conclude earlier than the end of the Response Time Interval if there is a trading halt in any of the component series or if there is an early conclusion event pursuant to paragraph (c)(3) of this Rule. If there is a trading halt in any of the component series, the Complex CUBE Order will execute pursuant to paragraph (c)(4) of this Rule. After the Complex CUBE Order has been filled, any RFR Responses (including Complex GTX Orders) may trade with Complex Orders on the same side of the market as the Complex CUBE Order in accordance with Rule 980NY, Complex Order Trading. Subsequently, any remaining balance of Complex GTX Orders will cancel.

(3) *Early Conclusion of Auction.* An Auction will conclude before the end of the Response Time Interval as described in paragraphs (c)(3)(A)-(F) of this Rule. When the Auction concludes, the Complex CUBE Order will execute pursuant to paragraph (c)(4) of this Rule. An Auction will conclude early if, during the Response Time Interval, the Exchange receives:

(A) A new Complex CUBE Order in the same complex order strategy that meets the conditions of paragraph (b) of this Rule;

(B) Any interest that adjusts the same-side CUBE BBO to be better than the initiating price;

(C) Any interest that adjusts the same-side CUBE BBO to cross any RFR Response(s);

(D) Any interest that adjusts the same-side CUBE BBO to cross the single stop price specified by the Initiating Participant.

(E) Any interest that crosses the same-side CUBE BBO.

(F) Interest in the leg market that causes the contra-side CUBE BBO to be better than the stop price or auto-match limit price.

(4) *Order Allocation*. When the Auction concludes, any RFR Response that exceeds the size of the Complex CUBE Order will be capped at the Complex CUBE Order size for purposes of size pro rata allocation of the Complex CUBE Order per Rule 964NY(b)(3), and the Complex CUBE Order will be allocated at the best price(s) as follows:

(A) At each price level, any Customer orders that arrived during the Auction as RFR Responses will have first priority to execute and be allocated on a size pro rata allocation pursuant to Rule 964NY(b)(3).

(B) After Customer interest at a particular price level has been satisfied, any remaining size will be allocated among the Complex Contra Order and RFR Responses as follows:

(i) *Single stop price*: A Complex CUBE Order for which an Initiating Participant specifies a single stop price will trade with interest received during the Auction as follows:

(a) First to RFR Responses priced better than the stop price, beginning with the most aggressive price within the range of permissible executions, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point.

(b) Any remaining size of the Complex CUBE Order will execute at the stop price. At the stop price, if there is sufficient size of the Complex CUBE Order still available after executing at prices better than the stop price or against Customer interest, the Complex Contra Order will receive an allocation of the greater of 40% of the original Complex CUBE Order size or one contract (or the greater of 50% of the original Complex CUBE Order size or one contract if there is only one RFR Response). Any remaining size

~~of the Complex CUBE Order at the stop price will be allocated among remaining RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3). If all RFR Responses are filled, any remaining size of the Complex CUBE Order will be allocated to the Complex Contra Order.~~

~~(c) If there are no RFR Responses, the Complex CUBE Order will execute against the Complex Contra Order at the stop price.~~

~~(ii) *Auto-match limit price*: A Complex CUBE Order for which an Initiating Participant specifies an "auto-match limit price" will trade with interest received during the Auction as follows:~~

~~(a) First, to RFR Responses at each price level priced better than the auto-match limit price (if any) within the range of permissible executions, beginning with the most aggressive price, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point.~~

~~(b) Next, to RFR Responses at a price equal to the price of the Complex Contra Order's auto-match limit price, and if volume remains, to prices worse than the auto-match limit price. At each price point equal to or worse than the auto-match limit price, the Complex Contra Order will receive an allocation equal to the aggregate size of all other RFR Responses starting with the best price at which an execution against an RFR Response occurs within the range of permissible executions until a price point is reached where the balance of the CUBE Order can be fully executed (the "clean-up price"). At the clean-up price, if there is sufficient size of the Complex CUBE Order still available after executing at better prices or against Customer interest, the Complex Contra Order will be allocated additional volume required to achieve an allocation of the greater of 40% of the original Complex CUBE Order size or one contract (or the greater of 50% of the original Complex CUBE Order size or one contract if there is only one RFR Response). If the Complex Contra Order meets its allocation guarantee at a price better than the clean-up price, it will cease matching RFR Responses that may be priced worse than the price at which the Complex Contra Order received its allocation guarantee. If there are other RFR Responses at the clean-up price, the remaining size of the Complex CUBE Order will be allocated to such interest pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3). Any remaining portion of the Complex CUBE Order will be allocated to the Complex Contra Order at the initiating price.~~

~~(c) If there are no RFR Responses, the Complex CUBE Order will execute against the Complex Contra Order at the initiating price.~~

~~(C) A single RFR Response will not be allocated a volume that is greater than its size.~~

Commentary:

.01 The following conduct will be considered conduct inconsistent with just and equitable principles of trade:

> (a) An ATP Holder entering RFR Responses to an Auction for which the ATP Holder is the Initiating Participant.

> (b) Engaging in a pattern and practice of trading or quoting activity for the purpose of causing an Auction to conclude before the end of the Response Interval Time.

> (c) An Initiating Participant that breaks up an agency order into separate Complex CUBE Orders for the purpose of gaining a higher allocation percentage than the Initiating Participant would have otherwise received in accordance with the allocation procedures contained in paragraph (c)(5) of this Rule.

> (d) Engaging in a pattern and practice of sending multiple RFR Responses at the same price that in the aggregate exceed the size of the Complex CUBE Order.

.02 **Definitions**. For purposes of this Rule, the following terms mean:

(a) *Better-priced* or *more aggressive* interest means lower-priced net debit/credit interest on each side of the Consolidated Book for the same complex order strategy. Inversely, higher-priced interest is *worse-priced* or *less aggressive* than lower-priced interest. For example, a complex order entered with a price of -$4.00 (net debit), indicating the sender is willing to pay out up to $4.00 when the order trades, is more aggressively priced than a complex order entered with a price of -$3.00, indicating the sender is only willing to pay out up to $3.00 when the order trades.

(b) Interest *improves the BBO* if it is priced lower than either the same-side Complex or Derived BBO.

(c) Interest *locks* when it is priced at the exact inverse price of any contra-side interest.

(d) Interest *crosses* when it is priced lower than the exact inverse price of any contra-side interest. For example a complex order entered with a price of -$1.00 (net debit), crosses the same complex order strategy that is entered with a price of $0.99 (net credit) or lower, and is therefore executable against such interest.

(e) A Complex Order is *executable* against contra-side interest priced at the exact inverse value or lower. For example, a Complex Order with a price of -$1.00 (net debit) would be executable against a Complex Order with a price of $1.00 (net credit) or lower, and vice versa.

.03 Concurrent Single-Leg and Complex CUBE Auctions involving the same option series. A Complex CUBE Auction for a Complex Order that includes a certain option

~~series may occur concurrently with a single-leg CUBE auction for the same series pursuant to Rule 971.1NY (Single-Leg Electronic Cross Transactions). To the extent there are concurrent CUBE Auctions for a specific option series, each CUBE Auction will be processed sequentially based on the time each CUBE Auction commenced. At the time each CUBE Auction concludes, including when it concludes early, it will be processed pursuant to Rule 971.1NY(c)(5) or Rule 971.2NY(c)(4) as applicable.~~

~~.04 A Complex CUBE Order of at least 500 contracts can be designated as AON (an "AON Complex CUBE Order"). An AON Complex CUBE Order to buy (sell) is not eligible for auto-match limit and will execute in full with the Complex Contra Order at the single stop price, provided that the Complex Contra Order will not receive an allocation if:~~

~~(a) RFR Responses to sell (buy) at prices more aggressive than the stop price or Customer interest to sell (buy) at a price equal to the stop price, or both, that in the aggregate can satisfy the full quantity of the AON Complex CUBE Order, in which case, the RFR Responses will be allocated as provided for in paragraphs (c)(4)(A) and (c)(4)(B)(i) of this Rule, as applicable.~~

~~RFR Responses and Customer interest to sell (buy) that do not meet the requirements of paragraph (a) of this Commentary will not receive an allocation in the Auction for the AON Complex CUBE Order.~~

* * * * *

EXHIBIT 5

Additions underlined
Deletions [bracketed]

NYSE AMERICAN RULES

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Trading of Option Contacts

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Section 900NY. Rules Principally Applicable to Trading of Option Contracts

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Rule 971.1NY. Single-Leg Electronic Cross Transactions

(a) An ATP Holder ("Initiating Participant") may electronically submit for execution into the Customer Best Execution Auction ("CUBE Auction" or "Auction") a limit order it represents as agent on behalf of a public customer, broker dealer, or any other entity ("CUBE Order") provided that the Initiating Participant guarantees the execution of the CUBE Order by submitting a contra-side order ("Contra Order") representing principal interest or non-Customer interest it has solicited to trade solely with the CUBE Order at a specified price ("stop price") or by utilizing auto-match or auto-match limit features as described in paragraphs (c)(1)(B) and (c)(1)(C) of this Rule. The stop price and any use of auto-match or auto-match limit are not displayed. An Auction begins with an "initiating price," which for a CUBE Order to buy (sell) shall be the lower (higher) of the CUBE Order's limit price or the National Best Offer ("NBO") (National Best Bid ("NBB")), except as provided for in paragraph (b)(1)(B) of this Rule. At the conclusion of the Auction, the CUBE Order may execute at multiple prices within a permissible range, as specified in paragraph (b)(1) of this Rule.

(b) CUBE Auction Eligibility Requirements. All options traded on the Exchange are eligible for the CUBE Auction. For purposes of determining whether a CUBE Order is eligible to initiate an Auction, references to the National Best Bid or Offer ("NBBO") or Exchange Best Bid or Offer ("BBO") refer to the quoted market at the time the Auction is initiated. The time at which the Auction is initiated shall also be considered the time of execution for the CUBE Order and the execution of orders in the Auction shall qualify as exceptions to Trade-Through Liability, pursuant to Rule 991NY(b)(5) and (9). An Initiating Participant may initiate a CUBE Auction provided all of the following are met:

   (1) Range of Permissible Executions. A CUBE Order to buy (sell) may execute at prices equal to or between the initiating price as the upper (lower) bound and the NBB (NBO) as the lower (upper) bound, provided that:

       (A)   If the CUBE Order to buy (sell) is for 50 contracts or more and there is Customer interest in the Consolidated Book at the Exchange Best Bid ("BB") (Exchange Best Offer ("BO")), the lower (upper) bound of executions shall be the higher (lower) of the BB plus one cent (BO minus one cent) or the NBB (NBO).

       (B)   If the CUBE Order to buy (sell) is for fewer than 50 contracts, the initiating price shall be the lower (higher) of the CUBE Order's limit price, the NBO (NBB), or the BO minus one cent (BB plus one cent) and the lower (upper) bound of executions shall be the higher (lower) of the NBB (NBO) or the BB plus one cent (BO minus one cent).

       (C)   If the BBO on the same side as the CUBE Order updates during the Auction, the range of permissible executions will adjust in accordance with the updated BBO, unless the incoming same-side interest that would update the BBO would cause the Auction to conclude early pursuant to paragraph (c)(4)(D) of this Rule.

       (D)   If at the time the Auction is initiated, there is a Marketable Order to sell (buy) that has been displayed pursuant to Rule 967NY(a)(4)(A), the displayed price of the collared order minus (plus) one Trading Collar shall be considered the BO (BB) when determining the range of permissible executions.

(2)   CUBE Orders to buy (sell) with a limit price below (above) the lower (upper) bound of executions specified in paragraph (b)(1) of this Rule are not eligible to initiate an Auction and shall be rejected along with the Contra Order.

(3)   CUBE Orders, once accepted, will never execute outside the range of permissible executions and will never trade through their own limit price. Unrelated quotes and orders that participate in the Auction will never trade through their own limit price.

(4)   CUBE Orders submitted before the opening of trading are not eligible to initiate an Auction and shall be rejected, along with the Contra Order.

(5)   CUBE Orders submitted during the final second of the trading session in the affected series are not eligible to initiate an Auction and shall be

rejected, along with the Contra Order.

(6)　　　CUBE Orders for fewer than 50 contracts will be rejected when:

　　　(A)　　　the BBO is $0.01 wide; or

　　　(B)　　　the NBBO is $0.01 wide, unless the Initiating Participant guarantees the execution of the CUBE Order to buy (sell) at a price that is equal to the NBO minus one cent (NBB plus one cent), utilizing a single stop price, auto- match or auto-match limit as specified in paragraphs (c)(1)(A)-(C) of this Rule.

(7)　　　CUBE Orders may be entered in $.01 increments regardless of the MPV of the series involved. Contra Orders may be priced in one cent increments when specifying the stop price or the auto-match limit price (as described in paragraphs (c)(1)(A) and (c)(1)(C) of this Rule).

(8)　　　The minimum size requirement for a CUBE Order is one contract.

(9)　　　If the NBBO is locked or crossed when a CUBE Order is submitted, it will be rejected.

　(10) CUBE Orders submitted during a trading halt are not eligible to initiate an Auction and will be rejected, along with the Contra Order.

(c) Auction Process. Only one Auction may be conducted at a time in any given series. Once commenced, the CUBE Order (as well as the Contra Order) may not be cancelled or modified, and shall proceed as follows:

　　　(1) *Initiation of Auction*. To initiate the CUBE Auction, the Initiating Participant must mark the CUBE Order for Auction processing, and specify one of the following means of guaranteeing the execution of the CUBE Order:

　　　(A) A single stop price. For a CUBE Order to buy (sell), an Initiating Participant may specify a single stop price that is equal to or below (above) the initiating price of the Auction. A stop price specified for a CUBE Order to buy (sell) that is below (above) the lower (upper) bound of the range of permissible executions will be repriced to the lower (upper) bound. A stop price specified for a CUBE Order to buy (sell) that is above (below) the initiating price is not eligible to initiate an Auction and both the CUBE Order and the Contra Order shall be rejected; or

　　　(B) Auto-match. For a CUBE Order to buy (sell), the Initiating Participant will automatically match the price and size of all RFR Responses that are lower

(higher) than the initiating price and within the range of permissible executions; or

(C) Auto-match limit. For a CUBE Order to buy (sell), the Initiating Participant may specify an "auto-match limit price" that is equal to or below (above) the initiating price of the Auction, and the Contra Order may trade with the CUBE Order at prices that are lower (higher) than the initiating price down (up) to the auto-match limit price. An auto-match limit price specified for a CUBE Order to buy (sell) that is below (above) the lower (upper) bound of the range of permissible executions will be repriced to the lower (upper) bound.

(2) *CUBE Auction Request for Responses ("RFR") and Response Time Interval*

(A)   Upon receipt of a CUBE Order, the Exchange shall send an RFR to all ATP Holders who subscribe to receive RFR messages. The RFR shall identify the series, the side and size of the CUBE Order, and the initiating price.

(B)   The "Response Time Interval" means the period of time during which responses to the RFR may be entered. The Response Time Interval will last for a random period of time within parameters determined by the Exchange and announced by Trader Update. The minimum/maximum parameters for the Response Time Interval will be no less than 100 milliseconds and no more than one (1) second.

(C)   Any ATP Holder may respond to the RFR, provided such response is properly marked specifying price, size and side of the market ("RFR Response"). The Auction shall accept RFR Responses as follows:

(i) GTX Order - A GTX Order is a non-routable order with a time-in-force contingency for the Response Time Interval and must specify price, size and side of the market.

 (a) GTX Orders shall not be displayed on the Consolidated Book or disseminated to any participants. A GTX Order that is not fully executed as provided for in paragraphs (c)(4) and (5) of this Rule shall be cancelled at the conclusion of the Auction.

 (b) The minimum price increment for GTX Orders shall be one cent, regardless of the MPV for the series involved in the Auction.

 (c) GTX Orders with a size greater than the size of the CUBE Order will be capped at the size of the CUBE Order.

 (d) GTX Orders may be cancelled or modified.

(e) GTX Orders on the same side of the market as the CUBE Order shall be rejected.

(f) For a CUBE Order to buy (sell), GTX Orders priced below (above) the lower (upper) bound of executions shall be repriced to the lower (upper) bound of executions, as specified in paragraph (b)(1) of this Rule.

(ii) Unrelated quotes and orders – Quotes and orders on the opposite side of the market in the same series as the CUBE Order that are not marked GTX, that are received during the Response Time Interval or resting in the Consolidated Book when the Auction commences, and that are eligible to participate within the range of permissible executions specified for the Auction pursuant to paragraph (b)(1) of this Rule shall also be considered RFR Responses.

(a) Quotes and orders received during the Response Time Interval that are not marketable against the NBBO and are not marked GTX shall be posted to the Consolidated Book.

(b) Quotes and orders received during the Response Time Interval that are on the same side as the CUBE Order to buy (sell) and are priced higher (lower) than the initiating price shall be posted to the Consolidated Book and result in an early conclusion of the Auction pursuant to paragraph (c)(4) of this Rule.

(c) Quotes and orders that are not marked GTX can only be priced in the MPV for the series in the Auction. A quote or non-GTX Order submitted with a one cent MPV when the series has either $0.05 or $0.10 MPV will be rejected as invalid.

(3) *Conclusion of Auction*. The CUBE Auction shall conclude at the end of the Response Time Interval. The CUBE Auction shall conclude earlier than the end of the Response Time Interval if there is a trading halt in the affected series or if there is an early conclusion event pursuant to paragraph (c)(4) of this Rule. If there is a trading halt in the affected series, the CUBE Order shall execute pursuant to paragraph (c)(5) of this Rule.

(4) *Early Conclusion of Auction*. A CUBE Auction shall conclude before the end of the Response Time Interval as described in paragraphs (c)(4)(A)-(F) of this Rule. If there is an early conclusion of the Auction, the CUBE Order will execute as follows:

(A) *New CUBE Order*. A CUBE Auction will conclude early if a new CUBE Order in the same series arrives during the Response Time Interval. When the Auction concludes, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule and the new CUBE Auction will then proceed as described in this paragraph (c).

(B) *Same Side Marketable Against RFR Responses or NBBO (or BBO) at the Time of Arrival*. A CUBE Auction will conclude early if the Exchange receives during

the Response Time Interval an unrelated quote or order that is on the same side of the market as the CUBE Order, that is marketable against any RFR Responses or the NBBO (or the BBO, for a non-routable order that is not a PNP Order) at the time of arrival. When the Auction concludes, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule. Any RFR Responses that do not execute in the CUBE Auction will execute against the unrelated quote or order that caused the CUBE Auction to conclude early to the extent possible and GTX Orders will then cancel. Contracts remaining, if any, from any unrelated quote or order when the Auction has concluded will be processed in accordance with Rule 964NY Order Display and Priority.

(C) *Opposite Side Marketable Against Interest in the Consolidated Book, the NBBO (or BBO) at the Time of Arrival*. A CUBE Auction will conclude early if the Exchange receives during the Response Time Interval any RFR Response that is marketable against any interest resting in the Consolidated Book, the NBBO (or the BBO, for a non-routable order that is not a PNP Order) at the time of arrival. When the Auction concludes, the CUBE Order will execute consistent with paragraph (b)(3) of this Rule and as follows:

(i) If the CUBE Auction concludes early because the Exchange receives during the Response Time Interval an unrelated marketable limit order or quote on the opposite side of the CUBE Order, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule. Contracts remaining, if any, from unrelated quotes or orders at the time the Auction concludes will be processed in accordance with Rule 964NY Order Display and Priority. Any unfilled GTX Orders will cancel.

(ii) If the CUBE Order is to buy (sell), the Initiating Participant has selected auto-match, the order that caused the Auction to conclude early is a market order to sell (buy), and no other RFR Responses have been received, the CUBE Order will execute against the unrelated market order at the midpoint of the initiating price and the lower (upper) bound of the range of permissible executions. If no midpoint is possible, the execution shall be rounded up (down) to the nearest whole penny toward the initiating price. Any unfilled size of the CUBE Order will then execute pursuant to paragraph (c)(5) of this Rule.

(iii) If the CUBE Order is to buy (sell), the Initiating Participant has selected auto-match, the order that caused the Auction to conclude early is a market order to sell (buy), and other RFR Responses were received before the arrival of that market order, the CUBE Order will execute against the unrelated market order at the lowest (highest) response price within the range of permissible executions. Any unfilled size of the CUBE Order will then execute pursuant to paragraph (c)(5) of this Rule. Any unfilled GTX Orders will cancel.

(iv) If the CUBE Order is to buy (sell), the Initiating Participant has selected a single stop price or the auto-match limit, and the order that caused the Auction

to conclude early is a market order to sell (buy), the CUBE Order will execute against the unrelated market order at the lowest (highest) price at which an execution could occur within the range of permissible executions, which may be an RFR Response price, the single stop or auto-match limit price. Any unfilled size of the CUBE Order will then execute pursuant to paragraph (c)(5) of this Rule. Any unfilled GTX Orders will cancel.

(D) *Same Side Incoming Interest Would Create an Adjusted Range of Permissible Executions that Improves initiating price*. A CUBE Auction will conclude early if the Exchange receives during the Response Time Interval an unrelated, non-marketable quote or limit order that is on the same side of the market as the CUBE Order to buy (sell) and that would adjust the lower (upper) bound of the range of permissible executions to be higher (lower) than the initiating price. When the Auction concludes, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule. Unfilled RFR Responses are eligible to execute against the unrelated interest that caused the CUBE Auction to conclude early and GTX Orders will then cancel. Contracts remaining, if any, from such unrelated quote or order at the time the Auction ends will be processed in accordance with Rule 964NY Order Display and Priority.

(i) Same-side IOC Orders that otherwise would meet the requirements of paragraph (c)(4)(D) will cause an Auction to end early (and be processed thereunder) even if the IOC Order cancels without trading.

(D) AON orders, either those that are resting in the Consolidated Book prior to an Auction, or those that arrive during an Auction, may only trade if sufficient size remains to fill the entire AON order after the CUBE Order has been fully executed. If sufficient interest to fill an entire AON order is received during the Response Time Interval, the Auction will conclude early and the CUBE Order will be executed pursuant to paragraph (c)(5) of this Rule. Any unfilled GTX Orders will cancel. After the Auction concludes, the Exchange shall reevaluate whether the AON can be executed.

(E) A CUBE Auction will conclude early if the Broadcast Order Liquidity Delivery Mechanism (pursuant to Rule 994NY) receives an unrelated order in the same series during the Response Time Interval. When the Auction concludes, the CUBE Order will execute pursuant to paragraph (c)(5) of this Rule.

(5) *Order Allocation*. When the Auction concludes, any RFR Response that exceeds the size of the CUBE Order will be capped at the CUBE Order size for purposes of size pro rata allocation of the CUBE Order per Rule 964NY(b)(3), and the CUBE Order will be allocated at the best price(s) as follows:

(A) At each price level, any displayed Customer orders resting on the Consolidated Book at the start of the CUBE Auction shall have first priority, followed by

displayed Customer orders that arrived during the CUBE Auction as RFR Responses, pursuant to Rule 964NY(c)(2)(A).

(B) After displayed Customer interest at a particular price level has been satisfied, remaining contracts shall be allocated among the Contra Order and RFR Responses as follows:

    (i) *Single stop price*: For a CUBE Order to buy (sell), CUBE executions will occur as follows:

    (a) first to RFR Responses priced below (above) the stop price, beginning with the lowest (highest) price within the range of permissible executions. At each price point, the CUBE Order shall be allocated first to GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to any undisplayed RFR Responses at that price in time priority, pursuant to Rule 964NY(c).

    (b) Any remaining contracts of the CUBE Order shall execute at the stop price. At the stop price, if there is sufficient size of the CUBE Order still available after executing at prices below (above) the stop price or against Customer interest, the Contra Order shall receive an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response). Any remaining CUBE Order contracts at the stop price shall be allocated first among remaining GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to undisplayed RFR Responses pursuant to Rule 964NY(c). If all RFR Responses are filled, any remaining CUBE Order contracts shall be allocated to the Contra Order.

    (c) If there are no RFR Responses, the CUBE Order shall execute against the Contra Order at the higher (lower) of the stop price or the lower (upper) bound of the range of permissible executions.

    (ii) Auto-match: For a CUBE Order to buy (sell), CUBE executions will occur as follows:

    (a) the Contra Order shall be allocated an equal number of contracts as the aggregate size of all other RFR Responses at each price level starting with the lowest (highest) price at which an execution against an RFR Response occurs within the range of permissible executions until a price point is reached where the balance of the CUBE Order can be fully executed (the "clean-up price").

    (b) At the clean-up price, if there is sufficient size of the CUBE Order still available after executing at better prices or against Customer interest, the

Contra Order shall receive additional contracts required to achieve an allocation equal to the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response). If the Contra Order meets its allocation guarantee at a price below (above) the clean-up price, it will cease matching RFR Responses that may be priced above (below) the price at which the Contra Order received its allocation guarantee. If there are other RFR Responses at the clean-up price, the remaining CUBE Order contracts will be allocated first to GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to any undisplayed RFR Responses at that price in time priority, pursuant to Rule 964NY(c). If all RFR Responses are filled, any remaining CUBE Order contracts shall be allocated to the Contra Order at the initiating price.

(c) If there are no RFR Responses, the CUBE Order shall execute against the Contra Order at the initiating price.

(iii) *Auto-match limit:* For a CUBE Order to buy (sell), CUBE executions will occur as follows:

(a) first to RFR Responses at each price level priced below (above) the auto-match limit price (if any) within the range of permissible executions, beginning with the lowest (highest) price. At each price point, the CUBE Order shall be allocated first to GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to any undisplayed RFR Responses at that price in time priority, pursuant to Rule 964NY(c);

(b) next, to RFR Responses at a price equal to the price of the Contra Order's auto-match limit price, and if volume remains, to prices higher (lower) than the auto-match limit price. At each price point equal to or higher (lower) than the auto-match limit price, the Contra Order shall be allocated contracts equal to the aggregate size of all other RFR Responses. At the clean-up price, if there is sufficient size of the CUBE Order still available after executing at better prices or against Customer interest, the Contra Order shall receive additional contracts required to achieve an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response). If the Contra Order meets its allocation guarantee at a price below (above) the clean-up price, it will cease matching RFR Responses that may be priced above (below) the price at which the Contra Order received its allocation guarantee. If there are other RFR Responses at the clean-up price the remaining CUBE Order contracts will be allocated first to GTX Orders and displayed RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3), and next to any undisplayed RFR Responses at

that price in time priority, pursuant to Rule 964NY(c). Any remaining CUBE Order contracts shall be allocated to the Contra Order at the initiating price.

(c) If there are no RFR Responses, the CUBE Order shall execute against the Contra Order at the initiating price.

(C) After the CUBE Order has been executed, any remaining RFR Responses not marked GTX will be processed in accordance with Rule 964NY Order Display and Priority.

(D) A single RFR Response shall not be allocated a number of contracts that is greater than its size.

Commentary:

.01Concurrent Single-Leg and Complex CUBE Auctions involving the same option series. A single-leg CUBE Auction for a series and a Complex CUBE Auction pursuant to Rule 971.2NY (Complex Electronic Cross Transactions) for a Complex Order that includes the same option series may occur concurrently. To the extent there are concurrent CUBE Auctions for a specific option series, each CUBE Auction will be processed sequentially based on the time each CUBE Auction commenced. At the time each CUBE Auction concludes, including when it concludes early, it will be processed pursuant to Rule 971.1NY(c)(5) or Rule 971.2NY(c)(4) as applicable.

.02 The following conduct shall be considered conduct inconsistent with just and equitable principles of trade:

(a) An ATP Holder entering RFR Responses to a CUBE Auction for which the ATP Holder is the Initiating Participant.

(b) Engaging in a pattern and practice of trading or quoting activity for the purpose of causing a CUBE Auction to conclude before the end of the Response Interval Time.

(c) An Initiating Participant that breaks up an agency order into separate CUBE Orders for the purpose of gaining a higher allocation percentage than the Initiating Participant would have otherwise received in accordance with the allocation procedures contained in paragraph (c)(5) of this Rule.

(d) Engaging in a pattern and practice of sending multiple RFR Responses at the same price that in the aggregate exceed the size of the CUBE Order.

.03 CUBE executions shall always be reported to OPRA as "stopped" trades.

.04 A CUBE Order will be rejected if it is in the same series as an order exposed pursuant to Rule 994NY (Broadcast Order Liquidity Delivery Mechanism).

.05 A CUBE Order of at least 500 contracts can be designated as AON (an "AON CUBE Order"). An AON CUBE Order to buy (sell) is not eligible for auto-match or auto-match limit and will execute in full with the Contra Order at the single stop price, provided that:

(a) the Contra Order will not receive any allocation and will be cancelled if (i) RFR Responses to sell (buy) at prices lower (higher) than the stop price can satisfy the full quantity of the AON CUBE Order or (ii) there is Customer interest to sell (buy) at the stop price that on its own, or when aggregated with RFR Responses to sell (buy) at the stop price or prices lower (higher) than the stop price, can satisfy the full quantity of the AON CUBE Order. In either such case, the RFR Responses will be allocated as provided for in paragraphs (c)(5)(A) and (c)(5)(B)(i) of this Rule, as applicable; or

(b) the AON CUBE Order and Contra Order will both be cancelled if there is Customer interest to sell (buy) at the stop price and such interest, either on its own or when aggregated with RFR Responses to sell (buy) at the stop price or at prices lower (higher) than the stop price, is insufficient to satisfy the full quantity of the AON CUBE Order.

Except as provided in this Commentary .05, an AON CUBE Order will be subject to all other aspects of the CUBE Auction functionality per Rule 971.1NY.

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