

**MEMORANDUM**

March 13, 2019

To: NYSEArca-2019-13; NYSEAmer-2019-05

From: Jennifer Colihan  
Division of Trading and Markets

Re: Staff Meeting with Options Exchanges and the Options Clearing Corporation

On March 12, 2019, staff from the Division of Trading and Markets (Tyler Raimo, Senior Special Counsel, and Jennifer Colihan, Special Counsel) participated in a conference call with representatives from the options exchanges (NYSE – Peter Armstrong, Chris Twomey, Kathleen Murphy; Nasdaq - Ricardo Hunter, Katrina Lukacs, Sun Kim, Angela Dunn; CBOE – Laura Dickman; MIAX – Ed Dietzel; BOX - Kristofer Lynn, Kris McMahon) and the Options Clearing Corporation (David Stuber) (collectively “the participants”). A copy of SR-NYSEArca-2019-13 was distributed.

In light of the above-referenced NYSE Arca and NYSE American proposed rule changes seeking to replace penny pilot classes that have been delisted with the most actively traded options classes that are not in the penny pilot on a quarterly basis instead of a semi-annual basis, the participants discussed whether to include a provision which would allow options classes to be added to the penny program upon reaching a defined volume threshold in an OLPP amendment that would govern a permanent program for quoting certain options classes in pennies.