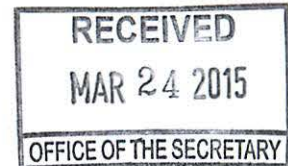




Martha Redding  
Senior Counsel  
Assistant Secretary

New York Stock Exchange  
11 Wall Street  
New York, NY 10005  
T + 1 212 656 2838  
F + 1 212 656 8101  
mredding@nyx.com

March 19, 2015



**VIA FEDERAL EXPRESS**

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

Re: Request for Extension of Exemptive Order Pursuant to Rule 612(c) of Regulation NMS – NYSE Arca Retail Liquidity Program

Dear Mr. Fields:

NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) respectfully requests that the Securities and Exchange Commission (“Commission”) approve an extension of the exemption from Rule 612 of Regulation NMS (“Sub-Penny Exemption”) previously granted by the Commission on December 23, 2013, for the Exchange’s Retail Liquidity Program (the “Program”).<sup>1</sup> The exemption operates coterminous with the pilot period of the Program. The pilot period is set to expire on April 14, 2015, and the exemption would expire on the same date.<sup>2</sup>

The Program was established on a pilot basis to attract retail order flow to the Exchange for NYSE Arca-listed securities as well securities traded pursuant to unlisted trading privileges, other than securities listed on the New York Stock Exchange LLC. The Program allows such order flow to receive potential price improvement. The Program is currently limited to trades occurring at prices equal to or greater than \$1.00 per share. Under the Program, Retail Liquidity Providers (“RLPs”) are able to provide potential price improvement in the form of a non-displayed order that is priced better than the Exchange’s best protected bid or offer (“PBBO”), called a Retail Price Improvement Order (“RPI”). When there is an RPI in a particular security,

<sup>1</sup> The Sub-Penny Exemption was originally granted by the Commission concurrently with the approval of the Program. See Securities Exchange Act Release No. 71176 (December 23, 2013), 78 FR 79524 (December 30, 2013) (SR-NYSEArca-2013-107) (“RLP Approval Order”).

<sup>2</sup> Along with this exemption request, the Exchanges are proposing to extend the pilot period for the Program.

the Exchange disseminates an indicator, known as the Retail Liquidity Identifier, indicating such interest exists. Retail Member Organizations (“RMOs”) can submit a Retail Order to the Exchange, which would interact, to the extent possible, with available contra-side RPIs.

As stated in the Exchange’s previous letter requesting relief,<sup>3</sup> the Exchange believes that the quality of our markets and accuracy of price discovery depend on the interaction among a diverse set of market participants, including short-term, long-term, retail, and institutional investors. As was the case when the Commission granted the Sub-Penny Exemption, the vast majority of marketable retail order flow today is executed pursuant to bilateral agreements that are not exposed to the enhanced price competition and transparency occurring on exchanges. The Program continues to offer the potential to enhance the level of order interaction and price competition experienced by retail orders through market center competition. By extending the Sub-Penny Exemption, the Commission would allow exchanges to compete for retail orders in the same manner that OTC market makers have long done--by offering sub-penny prices. At the same time, the reasonable design and limited nature of the Program avoid any risk of quote flickering because sub-penny prices are not disseminated. In addition, the Program does not undermine the incentive of market participants to display orders because the marketable retail orders that are routed to the Program would not otherwise be exposed to price competition, but, rather, executed pursuant to bilateral internalization arrangements.

As participation has been increasing more recently with additional RLPs, extending the exemptions for the Program would provide additional opportunities for greater participation in the Program and assessment of the results of such participation. Accordingly, the Exchange requests that the previously provided exemptions be extended to September 30, 2015, because the Program serves the public interest and otherwise protects investors.

Thank you in advance for your consideration of this request.

Sincerely,



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<sup>3</sup> See Letter from Janet McGinness, EVP and Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Commission, dated October 11, 2013.