

Rule 2.5. Restrictions

(a) – (e) (No changes.)

Interpretations and Policies

.01 Proficiency Examinations:

(a) – (c) (No changes.)

(d) Unless a Member solely conducts business on the Exchange as an Options Member, the Exchange requires each Member other than a sole proprietorship or a proprietary trading firm with 25 or fewer Authorized Traders (“Limited Size Proprietary Firm”) to register at least two Principals with the Exchange. A Limited Size Proprietary Firm is required to register at least one Principal with the Exchange. In addition, the Exchange may waive the two Principal requirement in situations that indicate conclusively that only one Principal associated with the Member should be required. For purposes of this paragraph (d), a “Principal” shall be any individual responsible for supervising the activities of a Member’s Authorized Traders. Each Principal is required to successfully complete the General Securities Principal Examination (“Series 24”). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel.

(e) Each Member subject to Exchange Act Rule 15c3-1 shall designate a Financial/Operations Principal. The duties of a Financial/Operations Principal shall include taking appropriate actions to assure that the Member complies with applicable financial and operational requirements under Exchange Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to successfully complete the Financial and Operations Principal Examination (“Series 27”). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel. A Financial/Operations Principal of a Member may be a full-time employee of the Member or may be a part-time employee or independent contractor of the Member. The Exchange may waive the requirements of this paragraph (e) if a Member has satisfied the financial and operational requirements of its designated examining authority applicable to registration.

(f) All Members shall be in compliance with paragraphs (d) and (e) of this Interpretation and Policy .01 Rule by September 30, 2010.

(g) For purposes of paragraph (d) above, a “proprietary trading firm” shall mean a Member that trades its own capital, that does not have customers, and that is not a member of the Financial Industry Regulatory Authority. In addition, to qualify for this definition, the funds used by a proprietary trading firm must be exclusively firm funds, all trading must be in the firm’s accounts, and traders must be owners of, employees of, or contractors to the firm.

(h) For purposes of paragraph (g) above, a “customer” shall not include a broker or dealer.

.02 Continuing Education Requirements [for Authorized Traders of Members]:

(a) No Member shall permit any Authorized Trader, Principal, Financial/Operations Principal or Options Principal (each a “Registered Representative”) to continue to, and no [Authorized Trader] Registered Representative shall continue to, perform duties as [an Authorized Trader] a Registered Representative on behalf of such Member, unless such person has complied with the continuing education requirements of this paragraph (a). Each [Authorized Trader] Registered Representative shall complete the Regulatory Element of the continuing education program on the occurrence of their second registration anniversary date and every three years thereafter or as otherwise prescribed by the Exchange. On each occasion, the Regulatory Element must be completed within 120 days after the person’s registration anniversary date. A person’s initial registration date, also known as the “base date,” shall establish the cycle of anniversary dates for purposes of this Rule. The content of the Regulatory Element of the program shall be determined by the Exchange for each registration category of persons subject to the Rule.

(b) Unless otherwise determined by the Exchange, [Authorized Traders] Registered Representatives who have not completed the Regulatory Element of the program within the prescribed time frames will have their registration deemed inactive until such time as the requirements of the program have been satisfied. Any person whose registration has been deemed inactive under this Rule shall cease all activities as [an Authorized Trader] a Registered Representative and is prohibited from performing any duties and functioning in any capacity requiring registration. A registration that is inactive for a period of two years will be administratively terminated. A person whose registration is so terminated may reactivate the registration only by reapplying for registration and satisfying applicable registration and qualification requirements of the Exchange’s Rules. The Exchange may, upon application and a showing of good cause, allow for additional time for [an Authorized Trader] a Registered Representative to satisfy the program requirements.

(c) Unless otherwise determined by the Exchange, [an Authorized Trader] a Registered Representative will be required to retake the Regulatory Element and satisfy all of its requirements in the event such person:

(1) is subject to any statutory disqualification as defined in Section 3(a)(39) of the Exchange Act,

(2) is subject to suspension or to the imposition of a fine of \$5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding, or

(3) is ordered as a sanction in a disciplinary action to retake the Regulatory Element by any securities governmental agency or securities self-regulatory organization.

The retaking of the Regulatory Element shall commence with participation within 120 days of the [Authorized Trader] Registered Representative becoming subject to the statutory

disqualification, in the case of (1) above, or the disciplinary action becoming final, in the case of (2) or (3) above. The date of the disciplinary action shall be treated as such person's base date for purposes of this Rule.

(d) Any [Authorized Trader] Registered Representative who has terminated association with a registered broker or dealer and who has, within two (2) years of the date of termination, become reassociated in a registered capacity with a registered broker or dealer shall participate in the Regulatory Element at such intervals that may apply (second anniversary and every three years thereafter) based on the initial registration anniversary date, rather than based on the date of reassociation in a registered capacity.

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Rule 17.2. Requirements for Options Participation

(a) – (f) (No changes.)

(g) Options Principal.

(1) – (3) (No changes.)

(4) Options Principals must comply with Exchange Rule 2.5, Interpretation and Policy .02, which requires completion of certain continuing education requirements. [Solely for purposes of Rule 2.5, Interpretation and Policy .02, an Options Principal shall be treated as an "Authorized Trader".]

(5) – (8) (No changes.)

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