

Additions: Underlined
Deletions: [Bracketed]

Rules of New York Stock Exchange LLC

* * * * *

Rule 7P EQUITIES TRADING

Section 1. General Provisions

* * * * *

Rule 7.16. Short Sales

* * * * *

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

* * * * *

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

* * * * *

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

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

* * * * *

Section 3. Exchange Trading

* * * * *

Rule 7.37. Order Execution and Routing

* * * * *

(b) Allocation.

* * * * *

(2) *Allocation Wheel.* At each price on each side of the market, the Exchange maintains an “allocation wheel” of Participants with orders ranked Priority 2 - Display Orders and a separate allocation wheel of Participants with orders ranked Priority 3 - Non-Display Orders. If more than one D Order is eligible to trade at the same discretionary price, the Exchange will create an allocation wheel for D Orders at that discretionary price.

* * * * *

(D) If an order receives a new working time, is skipped in an allocation because such order was not eligible to trade, or is cancelled and replaced at the same working price, the Participant that entered such order will be moved to the last position on an allocation wheel if that Participant has no other orders at that price.

* * * * *

Rule 7.44. [Reserved]Retail Liquidity Program

(a) Definitions.

(1) Retail Liquidity Provider. A “Retail Liquidity Provider” or “RLP” is a member organization that is approved by the Exchange under this Rule to act as such and that is required to submit Retail Price Improvement in accordance with this Rule.

(2) Retail Member Organization. A “Retail Member Organization” or “RMO” is a member organization (or a division thereof) that has been approved by the Exchange under this Rule to submit Retail Orders.

(3) Retail Order. A “Retail Order” is an agency order or a riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

A Retail Order is an Immediate or Cancel Order and will operate in accordance with Rule 7.44(k). A Retail Order may be an odd lot, round lot, or mixed lot.

(4) Retail Price Improvement Order. A “Retail Price Improvement Order” or “RPI” consists of non-displayed interest in NYSE-listed securities that would trade at prices better than the PBB or PBO by at least \$0.001 and that is identified as such.

(A) An RPI remains non-displayed in its entirety, is ranked Priority 3 - Non-Display Orders.

(B) Exchange systems will monitor whether RPI buy or sell interest is eligible to trade with incoming Retail Orders. An RPI to buy (sell) with a limit price at or below (above) the PBB (PBO) or at or above (below) the PBO (PBB) will not be eligible to trade with incoming Retail Orders to sell (buy). If not cancelled, an RPI to buy (sell) with a limit price that is no longer at or below (above) the PBB (PBO) or at or above (below) the PBO (PBB) will again be eligible to trade with incoming Retail Orders. An RPI to buy (sell) will not be eligible to trade if the PBBO is locked or crossed.

(C) An RPI may include an optional offset, which may be specified up to three decimals. The working price of an RPI to buy (sell) with an offset is the lower (higher) of the PBB (PBO) plus (minus) the offset or the limit price of the RPI. An RPI with an offset will not be eligible to trade if the working price is below \$1.00. If an RPI to buy (sell) with an offset would have a working price that is more than three decimals, the working price will be truncated to three decimals.

(D) For securities to which it is assigned, an RLP may only enter an RPI in its RLP capacity. An RLP is permitted, but not required, to submit RPIs for securities to which it is not assigned, and will be treated as a non-RLP member organization for those particular securities. Additionally, member organizations other than RLPs are permitted, but not required, to submit RPIs.

(E) An RPI may be an odd lot, round lot, or mixed lot and will interact with incoming Retail Orders only.

(b) Retail Member Organization Qualifications and Application.

(1) To qualify as a Retail Member Organization, a member organization must conduct a retail business or route retail orders on behalf of another broker-dealer. For purposes of this Rule, conducting a retail business includes carrying retail customer accounts on a fully disclosed basis.

(2) To become a Retail Member Organization, a member organization must submit:

(A) an application form;

(B) supporting documentation, which may include sample marketing literature, Web site screenshots, other publicly disclosed materials describing the member organization’s retail order flow, and any other documentation and information requested by the Exchange in order to confirm that the applicant’s order flow would meet the requirements of the Retail Order definition; and

(C) an attestation, in a form prescribed by the Exchange, that substantially all orders submitted as Retail Orders will qualify as such under this Rule.

(3) After an applicant submits the application form, supporting documentation, and attestation, the Exchange will notify the applicant of its decision in writing.

(4) A disapproved applicant may: (A) request an appeal of such disapproval by the Exchange as provided in paragraph (i) below; and/or (B) reapply for Retail Member Organization status 90 days after the disapproval notice is issued by the Exchange.

(5) A Retail Member Organization may voluntarily withdraw from such status at any time by giving written notice to the Exchange.

(6) A Retail Member Organization must have written policies and procedures reasonably designed to assure that it will only designate orders as Retail Orders if all requirements of a Retail Order are met. Such written policies and procedures must require the member organization to (i) exercise due diligence before entering a Retail Order to assure that entry as a Retail Order is in compliance with the requirements of this Rule, and (ii) monitor whether orders entered as Retail Orders meet the applicable requirements. If a Retail Member Organization does not itself conduct a retail business but routes Retail Orders on behalf of another broker-dealer, the Retail Member Organization's supervisory procedures must be reasonably designed to assure that the orders it receives from such other broker-dealer that are designated as Retail Orders meet the definition of a Retail Order. The Retail Member Organization must (i) obtain an annual written representation, in a form acceptable to the Exchange, from each other broker-dealer that sends the Retail Member Organization orders to be designated as Retail Orders that entry of such orders as Retail Orders will be in compliance with the requirements of this Rule; and (ii) monitor whether Retail Order flow routed on behalf of such other broker-dealer meets the applicable requirements.

(c) RLP Qualifications. To qualify as an RLP, a member organization must:

(1) be approved to act as a Designated Market Maker or Supplemental Liquidity Provider;

(2) demonstrate an ability to meet the requirements of an RLP;

(3) have the ability to accommodate Exchange-supplied designations that identify to the Exchange RLP trading activity in assigned RLP securities. A member organization may not use such designation for non-RLP trading activity at the Exchange. A member organization will not receive credit for its RLP trading activity for which it does not use its designation; and

(4) have adequate trading infrastructure and technology to support electronic trading.

(d) RLP Application.

- (1) To become an RLP, a member organization must submit an RLP application form with all supporting documentation to the Exchange.
- (2) After an applicant submits an RLP application form with supporting documentation to the Exchange, the Exchange will notify the applicant of its decision. The Exchange may approve one or more member organizations to act as an RLP for a particular security. The Exchange may also approve a particular member organization to act as RLP for one or more securities. Approved RLPs may be assigned securities according to requests made to, and approved by, the Exchange.
- (3) If an applicant is approved by the Exchange to receive RLP status, such applicant must establish connectivity with relevant Exchange systems before such applicant is permitted to trade as an RLP on the Exchange.
- (4) If an applicant is disapproved under this paragraph (d) by the Exchange, the Exchange will provide written notice of its disapproval. The disapproved applicant may: (A) request an appeal of such disapproval by the Exchange as provided in paragraph (i) below; and/or (B) reapply for RLP status 90 days after the disapproval notice is issued by the Exchange.

(e) Voluntary Withdrawal of RLP Status. An RLP may withdraw from its status as an RLP by giving notice to the Exchange. Such withdrawal will become effective when those securities assigned to the withdrawing RLP are reassigned to another RLP. After the Exchange receives the notice of withdrawal from the withdrawing RLP, the Exchange will reassign such securities as soon as practicable, but no later than 30 days after the date said notice is received by the Exchange. In the event the reassignment of securities takes longer than the 30-day period, the withdrawing RLP will have no obligations under this Rule 7.44 and will not be held responsible for any matters concerning its previously assigned RLP securities upon termination of this 30-day period.

(f) RLP Requirements.

- (1) An RLP may only enter a Retail Price Improvement Order electronically and directly into Exchange systems and facilities designated for this purpose and only in an RLP capacity for the securities to which it is assigned as RLP. An RLP entering RPIs in securities to which it is not assigned is not required to satisfy the requirements in this paragraph. An RLP must maintain:

 - (A) a Retail Price Improvement Order that is better than the PBB at least five percent of the trading day for each assigned security; and
 - (B) a Retail Price Improvement Order that is better than the PBO at least five percent of the trading day for each assigned security.
- (2) An RLP's five-percent requirements are calculated by determining the average percentage of time an RLP maintains a Retail Price Improvement Order in each of its RLP securities

during the regular trading day on a daily and monthly basis. The Exchange will determine whether an RLP has met this requirement by calculating the following:

(A) the “Daily Bid Percentage” is calculated by determining the percentage of time an RLP maintains a Retail Price Improvement Order with respect to the PBB during each trading day for a calendar month;

(B) the “Daily Offer Percentage” is calculated by determining the percentage of time an RLP maintains a Retail Price Improvement Order with respect to the PBO during each trading day for a calendar month;

(C) the “Monthly Average Bid Percentage” is calculated for each RLP security by summing the security’s “Daily Bid Percentages” for each trading day in a calendar month then dividing the resulting sum by the total number of trading days in such calendar month; and

(D) the “Monthly Average Offer Percentage” is calculated for each RLP security by summing the security’s “Daily Offer Percentage” for each trading day in a calendar month and then dividing the resulting sum by the total number of trading days in such calendar month.

(E) Only Retail Price Improvement Orders entered throughout the trading day will be used when calculating whether an RLP is in compliance with its five-percent requirements.

(3) The five-percent requirement will not be applicable in the first two calendar months a member organization operates as an RLP. The requirement will take effect on the first day of the third consecutive calendar month the member organization operates as an RLP.

(g) Failure of RLP to Meet Requirements.

(1) If, after the first two months an RLP acts as an RLP, an RLP fails to meet any of the requirements set forth in paragraph (f) of this Rule for any assigned RLP security for three consecutive months, the Exchange may, in its discretion, take one or more of the following actions:

(A) revoke the assignment of any or all of the affected securities from the RLP;

(B) revoke the assignment of unaffected securities from the RLP; or

(C) disqualify the member organization from its status as an RLP.

(2) Disqualification Determinations. The Exchange will determine if and when a member organization is disqualified from its status as an RLP. One calendar month prior to any such determination, the Exchange will notify an RLP of such impending disqualification in writing. When disqualification determinations are made, the Exchange will provide a written disqualification notice to the member organization.

(3) Appeal and/or Reapplication for RLP Status. An RLP that is disqualified under this paragraph (g) may: (A) appeal such disqualification as provided in paragraph (i) below; and/or (B) reapply for RLP status 90 days after the disqualification notice is issued by the Exchange.

(h) Failure of RMO to Abide by Retail Order Requirements.

(1) If a Retail Member Organization designates orders submitted to the Exchange as Retail Orders and the Exchange determines, in its sole discretion, that such orders fail to meet any of the requirements set forth in paragraph (a) of this Rule, the Exchange may disqualify a member organization from its status as a Retail Member Organization.

(2) Disqualification Determinations. The Exchange will determine if and when a member organization is disqualified from its status as a Retail Member Organization. When disqualification determinations are made, the Exchange will provide a written disqualification notice to the member organization.

(3) Appeal and/or Reapplication for Retail Member Organization Status. A Retail Member Organization that is disqualified under this paragraph (h) may: (A) appeal such disqualification as provided in paragraph (i) below; and/or (B) reapply for Retail Member Organization status 90 days after the date of the disqualification notice from the Exchange.

(i) Appeal of Disapproval or Disqualification.

(1) If a member organization disputes the Exchange's decision to disapprove it under Rule 7.44(b) or (d) or disqualify it under Rule 7.44(g) or (h), the member organization ("appellant") may request, within five business days after notice of the decision is issued by the Exchange, that the Retail Liquidity Program Panel ("RLP Panel") review the decision to determine if it was correct.

(A) In the event a member organization is disqualified from its status as an RLP pursuant to paragraph (g) of this Rule, the Exchange will not reassign the appellant's securities to a different RLP until the RLP Panel has informed the appellant of its ruling.

(2) The RLP Panel will consist of the Exchange's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and two qualified Exchange employees.

(3) The RLP Panel will review the facts and render a decision within the time frame prescribed by the Exchange.

(4) The RLP Panel may overturn or modify an action taken by the Exchange under this Rule. A determination by the RLP Panel will constitute final action by the Exchange.

(j) Retail Liquidity Identifier. An identifier will be disseminated through proprietary data feeds and through the Consolidation Quotation System when RPI interest priced at least \$0.001

better than the PBB or PBO for a particular security is available in Exchange systems (“Retail Liquidity Identifier”). The Retail Liquidity Identifier will reflect the symbol for the particular security and the side (buy or sell) of the RPI interest, but will not include the price or size of the RPI interest.

(k) Retail Order Operation. A Retail Order to buy (sell) is a Limit IOC Order that will trade only with available Retail Price Improvement Orders to sell (buy) and all other orders to sell (buy) with a working price below (above) the PBO (PBB) on the Exchange Book and will not route. The quantity of a Retail Order to buy (sell) that does not trade with eligible orders to sell (buy) will be immediately and automatically cancelled. A Retail Order will be rejected on arrival if the PBBO is locked or crossed. A Retail Order may not be designated with an MTS Modifier.

(l) Priority and Order Allocation. Retail Price Improvement Orders in the same security will be ranked together with all other interest at that price ranked as Priority 3 - Non-Display Orders and will be allocated with other resting orders at that price pursuant to Rule 7.37(b). Any remaining unexecuted RPI interest will remain available to trade with other incoming Retail Orders. Any remaining unfilled quantity of the Retail Order will cancel in accordance with Rule 7.44(k).

(m) The Program is limited to trades occurring at prices equal to or greater than \$1.00 per share.

Commentary:

.01 When using Pillar phase 1 protocols, for securities that trade at prices of \$100,000 or above, RPI Orders will be rejected if not entered with an MPV of \$0.01.

* * * * *

Rule 107C. Retail Liquidity Program

This Rule is not applicable to trading [UTP Securities] on the Pillar trading platform.

(a) Definitions.

* * * * *