



Regulatory Circular 10-001

Date: January 29, 2010

To: ETP Holders

From: James C. Yong
Chief Regulatory Officer

Re: **Rebate in AutoEx for Sub-Dollar Liquidity Adding Displayed Orders Increased To 0.25% of Trade Value**

The National Stock Exchange, Inc. ("NSX[®]" or the "Exchange") filed a rule change, operative at commencement of trading on February 1, 2010, which proposes to amend the NSX Fee and Rebate Schedule (the "Fee Schedule"). In summary, the rule change increases the rebate for liquidity adding displayed orders of securities priced under one dollar in the Auto Execution mode of order interaction ("AutoEx")¹ to 0.25% of trade value.

Currently, the Fee Schedule provides a rebate in AutoEx of 0.10% of trade value (except for Zero Display Orders²) with respect to transactions in securities priced under one dollar. The term "trade value" means a dollar amount equal to the price per share multiplied by the number of shares executed. The proposed rule filing increases such rebate from 0.10% of trade value to 0.25% of trade value. Zero Display Orders remain excluded from this rebate program. The rule change does not modify other rebates or fees referenced in the Fee Schedule.

The proposed Fee Schedule, operative as of February 1, 2010, is attached to this Circular and is contained in rule change proposal SR-NSX-2010-01 filed today, under Section 19(b)(3)(A) of the Securities Exchange Act of 1934, which renders it effective upon filing. A copy of this rule change filing may be found on the NSX website.

Any questions can be directed to me at 312.786.8893.

¹ The Exchange's two modes of order interaction are described in NSX Rule 11.13(b).

² "Zero Display Orders" as used herein and in the Fee Schedule means "Zero Display Reserve Orders" as specified in NSX Rule 11.11(c)(2)(A).

National Stock Exchange, Inc.
Fee and Rebate Schedule
Updated as of February 1, 2010

The following reflects the Schedule of Fees and Rebates (pursuant to Rule 16.1(a) and Rule 16.1(c)) for the National Stock Exchange, Inc. ("NSX"). Order matching computations are made on a monthly basis unless otherwise noted. All references to "per share" mean "per share executed."

I. AUTOMATIC EXECUTION MODE (AutoEx)¹

Securities \$1 and Above

Displayed Orders²
That Add Liquidity:

Tapes A and C

Rebate of \$0.0026 per share if
Liquidity Adding ADV³ <25 million or
Rebate of \$0.0027 per share if
Liquidity Adding ADV \geq 25 million and <40 million or
Rebate of \$0.0028 per share if
Liquidity Adding ADV \geq 40 million

Tape B

Rebate of \$0.0030 per share

All Tapes

Zero Display Orders⁴
That Add Liquidity:

Rebate of \$0.0025 per share if
Total ADV⁵ \geq 30 million and Liquidity Adding ADV \geq 5 million

All Tapes

Orders That
Take Liquidity:

Fee of \$0.0028 per share if
Liquidity Adding ADV \geq 5 million or
Fee of \$0.0030 per share if
Liquidity Adding ADV <5 million

Securities Under \$1 (All Tapes)

Orders That Add Liquidity: Rebate of 0.25% of trade value⁶ (except for Zero Display Orders⁴)

Orders That Take Liquidity: Fee of 0.30% of trade value

II. ORDER DELIVERY MODE⁷

Securities \$1 and Above (All Tapes)

Displayed Orders²
That Add Liquidity: Rebate of \$0.0008 per share if
Liquidity Adding ADV \geq 1 million and $<$ 5 million or
Rebate of \$0.0024 per share and 50% of market data revenue⁸ if
Liquidity Adding ADV \geq 5 million

Zero Display Orders⁴
That Add Liquidity: Rebate of \$0.0008 per share if
Liquidity Adding ADV \geq 1 million and $<$ 10 million or
Rebate of \$0.0010 per share if
Liquidity Adding ADV \geq 10 million and $<$ 20 million or
Rebate of \$0.0012 per share if
Liquidity Adding ADV \geq 20 million

III. OTHER SERVICES

A. Order Routing⁹ (All Tapes)

Securities \$1 and Above

Fee of \$0.0029 per share

Securities Under \$1

Fee of 0.30% of trade value

B. Pass Through Charges

NSX may pass through to a specific ETP Holder costs that are assessed to the Exchange by a third party that are attributable to that particular ETP Holder for its use of the facilities of the Exchange.

Explanatory endnotes:

(1) As specified in Rule 11.13(b)(1).

(2) “**Displayed Orders**” means orders that are not Zero Display Orders.

- (3) “**Liquidity Adding ADV**” means, with respect to an ETP Holder¹⁰, the number of shares such ETP Holder has executed as a liquidity provider on average per trading day (excluding partial trading days) across all tapes on NSX for the calendar month (or partial month, as applicable¹¹) in which the executions occurred; provided, however, that for purposes of calculating an ETP Holder’s Liquidity Adding ADV solely with respect to the rebate in AutoEx for Displayed Orders that add liquidity, the full trading day during the measurement period on which such ETP Holder’s liquidity adding volume is lowest shall be excluded.
- (4) “**Zero Display Orders**” means “Zero Display Reserve Orders” as specified in Rule 11.11(c)(2)(A).
- (5) “**Total ADV**” means, with respect to an ETP Holder¹⁰, the number of shares such ETP Holder has executed as a liquidity provider, liquidity taker and router of executed trades on average per trading day (excluding partial trading days) across all tapes on NSX for the calendar month (or partial month, as applicable¹¹) in which the executions occurred. For purposes of clarity: (i) no rebates apply to Zero Display Orders where the ETP Holder fails to achieve a Liquidity Adding ADV of at least 5 million shares in the same month (or partial month, as applicable); (ii) no rebates apply to Zero Display Orders where the ETP Holder fails to achieve Total ADV of at least 30 million shares in the same month (or partial month, as applicable); (iii) both Displayed Orders and Zero Display Orders in AutoEx and Order Delivery are counted for purposes of determining Total ADV; and (iv) the foregoing rebates apply only to liquidity adding Zero Display Orders executed in AutoEx.
- (6) “**Trade value**” means a dollar amount equal to the price per share multiplied by the number of shares executed.
- (7) As specified in Rule 11.13(b)(2).
- (8) As specified in Rule 16.4.
- (9) Orders that are routed via NSX and executed in another market center.
- (10) Upon verification and approval by NSX, the number of shares executed by ETP Holders under common ownership and control will be aggregated for purposes of calculating average daily volumes. See Rule 16.3.
- (11) In the event of any change to this Fee and Rebate Schedule at other than the end of a calendar month, volume calculations will be made on the basis of such number of full trading days within such month during which the unchanged pricing or rebate program’s terms are in effect.