



Regulatory Circular 10-008

Date: June 15, 2010

To: ETP Holders

From: James C. Yong
Chief Regulatory Officer

Re: Rule Change Relating to Implementation of an Equity Rights Program

The National Stock Exchange, Inc. (“NSX[®]” or the “Exchange”) filed a rule change relating to its implementation of an equity rights program pursuant to which warrants may be purchased that would allow equity in the Exchange’s parent holding company, NSX Holdings, Inc. (“Holdings”), to be acquired based on, among other things, a participating ETP Holder’s payment of an initial purchase price for the warrants and achievement of certain liquidity adding volume thresholds on the Exchange over a six month measuring period.

With this rule change, the Exchange is implementing an equity rights program pursuant to which warrants for common stock of Holdings will be issued to each ETP Holder who participates in the program in exchange for such ETP Holder participant’s initial cash capital contribution of \$250,000, and with such warrants being exercisable upon the achievement by the participating ETP Holder of the following liquidity adding volume thresholds (measured as a percentage of total consolidated average daily volume) on the Exchange during a six month measurement period commencing June 15, 2010:

	<u>Participating ETP Holder’s Liquidity Adding ADV As % of Total Consolidated ADV</u>	<u>Participating ETP Holder’s Total Exercisable Warrants</u>
Tier 1:	> 15 basis points	4,575
Tier 2:	> 25 and < 30 basis points	19,575
Tier 3:	> 30 and < 35 basis points	22,075
Tier 4:	> 35 and < 40 basis points	24,575
Tier 5:	> 40 basis points	24,575 plus Participation in Bonus Pool

For purposes of the program, the term “Liquidity Adding ADV” means, with respect to a participating ETP Holder, 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 measuring period in which the executions occurred. The term “Total Consolidated ADV” means average daily volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tape A, B and C securities. For purposes of calculating an ETP Holder’s Liquidity Adding ADV as a percentage of Total Consolidated ADV over the measuring period, the 10 days during the measuring period constituting that ETP Holder’s lowest ratio of liquidity adding volume to total consolidated volume will be excluded. In addition, the number of shares executed by ETP Holders under common ownership and control may be aggregated for purposes of calculating average daily volumes.

Total Bonus Pool shares shall equal the number of warrant holders achieving Tier 5 multiplied by 10,000. Each warrant holder eligible for participation in the Bonus Pool shall be entitled to exercise its Bonus Pool warrants for a number of Bonus Pool shares determined by the following formula: number of shares in Bonus Pool multiplied by a fraction, the numerator of which is the eligible holder's Liquidity Adding ADV in excess of 40 basis points of Total Consolidated ADV and the denominator of which is the total of all eligible holders' Liquidity Adding ADV in excess of 40 basis points of Total Consolidated ADV.

The maximum number of shares issued under the program will be 103,724. The number of shares that would otherwise be issued to warrant holders if in excess of this limit will, at the time of warrant exercise, be reduced for each warrant on a pro-rata basis. Warrant exercise will not be permitted to the extent that exercise would result in a warrant holder's pro forma ownership in Holdings exceeding 19.9% or any lower percentage cap that is applicable to such warrant holder due to legal or regulatory limitations. The warrants are not transferrable, and all shares issued pursuant to the terms of the warrants are subject to ownership and voting limits and transfer restrictions as stated in Holding's Certificate of Incorporation and By-laws.

Each participating ETP Holder will also receive the option to participate in any second rights program made by the Exchange and Holdings covering a six month measuring period shortly following the current measuring period, on the same terms and conditions as all other participants in such program, but with the cash contribution required for participation in such program fixed at \$250,000. Other participants in any such second program will receive cash contribution terms based on a determination made by Holdings at the time of any such program.

Participants must have executed the definitive documentation (including a Warrant Purchase Agreement) and tendered the minimum cash investment by June 30, 2010. All program terms, rights and obligations are subject to final documentation to be executed by participating ETP Holders, which final documentation may contain terms that supplement those summarized herein.

In addition to the payment of the purchase price and the execution of the purchase agreement, participating ETP Holders must qualify as "accredited investors" (as such term is defined in Regulation D of the Securities Act of 1933). All participating ETP Holders will participate on the same terms, conditions and restrictions. Neither this filing nor this Regulatory Circular shall constitute an offer to sell or a solicitation of an offer to buy securities. Any ETP Holder that is interested in participating in this program may contact John J. McCoy, Chief Legal Officer of the Exchange, at 201.499.1854, for more information and legal documentation. Execution among the parties of a non-disclosure agreement regarding such additional program information will be required.

Additional details regarding the program is contained in rule change SR-NSX-2010-06 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.