



Regulatory Circular 07-009

Date: May 14, 2007

To: ETP Holders

From: James C. Yong
Chief Regulatory Officer

Re: New Fee Schedule for Liquidity Provider Rebate Program for Order Delivery Transactions Executed Through NSX BLADESM

The National Stock Exchange, Inc.® (“NSX” or the “Exchange”) is adopting changes to its NSX BLADE Fee Schedule for Order Delivery transactions executed through NSX BLADE under NSX Rule 11.13(b)(2). Currently, the NSX BLADE Fee Schedule provides for an execution fee of \$0.0030 per share for removing liquidity from NSX BLADE (in other words, a charge for taking liquidity against an order in NSX BLADE), and a rebate of \$0.0030 per share executed for adding liquidity into NSX BLADE (in other words, a rebate for the addition of liquidity to NSX BLADE, provided that it results in an execution through NSX BLADE) regardless of the mode of order interaction chosen by an ETP Holder. Thus, ETP Holders taking liquidity against an order in NSX BLADE are currently charged a fee of \$0.0030 per share executed, and ETP Holders providing liquidity into NSX BLADE are currently paid a rebate of \$0.0030 per share executed. Similarly, orders executed at less than \$1.00 per share will result in either a rebate or an execution fee for a dollar amount equal to 0.3% of the price per share, multiplied by the number of shares executed.

NSX Rule 11.13(b) establishes two separate modes of order interaction from which ETP Holders may choose: Automatic Execution and Order Delivery. The Exchange is proposing that the NSX BLADE Fee Schedule be modified so that ETP Holders who have selected the Automatic Execution mode of order interaction pursuant to NSX Rule 11.13(b)(1) be granted rebates at a different rate than ETP Holders who have selected the Order Delivery mode of order interaction. Specifically, the Exchange is proposing that the rebate for adding liquidity for ETP Holders who have selected Order Delivery be reduced to \$0.0028 for orders executed at \$1.00 or more per share. The rebate for adding liquidity for ETP Holders who have selected Order Delivery for orders executed at less than \$1.00 per share will be reduced to 0.28% of the price per share, multiplied by the number of shares executed. All other liquidity taker fees and liquidity provider rebates will remain unchanged.

The new Fee Schedule is attached to this Circular for your information and is contained in a rule change proposal (SR-NSX-2007-06) filed May 14, 2007 with the Securities and Exchange Commission under Section 19(b)(3)(A) of the Securities Exchange Act of 1934, which rendered them 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.



NATIONAL STOCK EXCHANGE, INC.

FEE SCHEDULE

For Executions via NSX BLADESM

As of May, 2007

The following reflects the Schedule of Fees (pursuant to Rule 16.1(a) and Rule 16.1(c)) for all transactions executed via the National Stock Exchange System known as NSX BLADESM ("NSX BLADE" or the "System"):

1. **Order Matching.** Orders in Tape "A", "B" and "C" securities that are matched in NSX BLADE will be subject to the following rebates and execution fees (computed on a monthly basis):
 - A. For orders executed at \$1.00 or more per share:
 1. *Rebate* for adding liquidity:
 - a. in orders in which the Automatic Execution mode of interaction specified in Rule 11.13(b)(1) is selected: **\$0.0030** per share executed.
 - b. in orders in which the Order Delivery mode of interaction specified in Rule 11.13(b)(2) is selected: **\$0.0028** per share executed.
 2. *Execution fee* for removing liquidity: **\$0.0030** per share executed.
 - B. For orders executed at less than \$1.00 per share:
 1. *Rebate* for adding liquidity:
 - a. in orders in which the Automatic Execution mode of interaction specified in Rule 11.13(b)(1) is selected:

a dollar amount equal to **0.3%** of the price per share, multiplied by the number of shares executed.

b. in orders in which the Order Delivery mode of interaction specified in Rule 11.13(b)(2) is selected: a dollar amount equal to **0.28%** of the price per share, multiplied by the number of shares executed.

2. *Execution fee* for removing liquidity: a dollar amount equal to **0.3%** of the price per share, multiplied by the number of shares executed.

Provided, that in the case of ITS transactions, the Exchange will pay the applicable rebate under 1.A.1. or 1.B.1 above only after it receives payment of the fee for removing liquidity that is applicable to the execution.

2. Order Routing. Orders that are routed via NSX BLADE and executed in another market center shall be charged **\$0.0040** per share executed.