

**Option Floor Procedure Advices****F-2 Allocation, Time Stamping, Matching and Access to Matched Trades**

(a) In order to facilitate timely tape reporting of executed trades, it is the duty of the *persons identified below* [largest participant in a trade] to allocate, match and time stamp manually executed trades as well as to submit the matched trade to the appropriate person at the respective specialist post immediately upon execution:

(i) *in a trade involving a floor broker, the floor broker shall do so, provided that a floor broker may delegate this responsibility to the specialist (or an assistant to the specialist under the specialist's direct supervision) if the specialist agrees to accept such responsibility, and, in the event of such delegation, the specialist (or an assistant to the specialist under the specialist's direct supervision) shall do so;*

(ii) *in all other cases where the specialist is a participant (i.e., where there is no floor broker), the specialist (or an assistant to the specialist under the specialist's direct supervision) shall do so;*

(iii) *in any other case (i.e., where there is no floor broker and no specialist is involved), the largest participant shall do so (for example, where several Registered Options Traders are involved); and*

(iv) *if there is only one seller and one buyer (no floor broker and no specialist is involved), the seller shall do so (for example, where only two Registered Options Traders are involved).*

The person responsible for trade allocation (the "Allocating Participant") shall, for each trade allocated by such Allocating Participant, circle his or her badge identification number on the trade tickets, identifying himself/herself as the Allocating Participant in the particular trade. If the Allocating Participant is not a participant in the trade to be allocated, he/she shall identify himself/herself by initialing the trade tickets.

(b) A member or member organization initiating an options transaction whether acting as principal or agent, must report or ensure that the transaction is reported within 90 seconds of the execution to the tape. Transactions not reported within 90 seconds after execution shall be designated as late. A pattern or practice of late reporting without exceptional circumstances may be considered conduct inconsistent with just and equitable principles of trade.

[If there is only one seller and one buyer, the seller is responsible.]

(c) Execution times must be recorded on the reverse side of one or more of the tickets to a matched trade.

[(b)d] Once a trade has been matched and submitted for reporting at the post, the respective Specialist Unit must preserve the matched tickets for a period of not less than three years.

[(c)e] Member access to tickets comprising a matched trade is available to any participant of that trade, as well as the respective Specialist and any Floor Official acting in his capacity as a Floor Official. Requests to review trade matches must be made with the Specialist Unit.

**FINE SCHEDULE**

[Implemented on a three year running calendar basis]<sup>6</sup>

<b>F-2 [(a-c)] (a, c-e):</b>			
1st Occurrence .....	[\$100]	\$500	
2nd Occurrence .....	[\$250]	\$1,000	
3rd Occurrence .....	[\$500]	\$2,000	
4th and Thereafter ..		Sanction is discretionary with Business Conduct Committee.	
<b>F-2 (b):</b>			
1st Occurrence .....		\$500	
2nd Occurrence .....		\$1,000	
3rd Occurrence .....		\$2,500	
4th and Thereafter ..		Sanction is discretionary with Business Conduct Committee.	

**F-12 Responsibility for Assigning Participation**

(a) In each instance where a member/participant effects a transaction on the options or foreign currency options floor, he must make reasonable efforts to ensure that a meeting of the minds occurred with the contra-side as to confirming the contra-side's participation in the trade. In trades where more than one contra-side is involved, each contra-side must immediately make known to the [largest participant] *Allocating Participant* (See Advice F-2 and Rule 1014(g)) his understanding as to his respective level of participation in the trade.

(b) No such contra-side who has participated in the trade shall leave the crowd until the level of his participation in the trade has been confirmed by the [largest participant] *Allocating Participant* (See Advice F-2 and Rule 1014(g)).

(c) No person in the crowd shall submit a ticket for matching on a trade

when that person is not due participation in the trade.

(d) Disputes as to participation on a trade shall be resolved by a majority vote of those persons present in the crowd during the relevant time or, if not so settled, then by a Floor Official.

**FINE SCHEDULE**

[Implemented on a one year running calendar basis]

<b>F-12 (a-d)c):</b>	
1st Occurrence .....	\$500
2nd Occurrence .....	\$1,000
3rd Occurrence .....	\$2,000
4th and Thereafter ..	Sanction is discretionary with Business Conduct Committee.

**Obligations and Restrictions Applicable to Specialists and Registered Options Traders**

Rule 1014. (a)-(e) No change.

(g) (i)-(iv) No change.

(v) RESERVED.

(vi) *In order to facilitate timely tape reporting of executed trades, it is the duty of the persons identified below to allocate, match and time stamp manually executed trades as well as to submit the matched trade to the appropriate person at the respective specialist post immediately upon execution:*

(i) *in a trade involving a floor broker, the floor broker shall do so, provided that a floor broker may delegate this responsibility to the specialist (or an assistant to the specialist under the specialist's direct supervision) if the specialist agrees to accept such responsibility, and, in the event of such delegation, the specialist (or an assistant to the specialist under the specialist's direct supervision) shall do so;*

(ii) *in all other cases where the specialist is a participant (i.e., where there is no floor broker), the specialist (or an assistant to the specialist under the specialist's direct supervision) shall do so;*

(iii) *in any other case (i.e., where there is no floor broker and no specialist is involved), the largest participant shall do so (for example, where several Registered Options Traders are involved); and*

(iv) *if there is only one seller and one buyer (no floor broker and no specialist is involved), the seller shall do so (for example, where only two Registered Options Traders are involved).*

The person responsible for trade allocation (the "Allocating Participant") shall, for each trade allocated by such Allocating Participant, circle his or her

<sup>6</sup> See Securities Exchange Act Release No. 44537 (July 11, 2001), 66 FR 37511 (July 18, 2001) (SR-Phlx-2001-36).