

receive such communications must have a written order in their possession with all of the following information on the ticket:]

(2) *Orders Excepted from EOC*
Pursuant to Rule 6.67(d). Executing brokers who receive any cancellation of or change to an order relayed to a Floor Broker through the use of hand signals must be relayed to the Floor Broker in a time stamped, written form immediately thereafter. All cancellations and changes of orders held by the Order Book Official must be in written form. Executing brokers who receive such communications must have a written order in their possession with all of the following information on the ticket:

Underlying security ticker symbol

Expiration month

Striking price

Volume

Purchase or Sale Notation

Whether Market or Limit Order

(A)[(2)] Cancellation of orders held by the Floor Broker must be in written form in accordance with current practice. A Floor Broker may cancel an order through the use of hand signals if it is followed immediately by written cancellation.

(B)[(3)] Any change to an order must be documented in writing outside of the crowd and the ticket time-stamped, before the revised order may be represented.

(f) Any member desiring to use an order form in a format other than that provided by the Exchange must submit such form to the Options Floor Trading Committee and obtain its approval prior to using such form on the Floor.]

(f) *The system entry requirement prescribed in subsection (c), above, will be operative on or before August 29, 2003.*

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Record of Orders

Rule 6.68(a). Every member organization *must* [shall] maintain and preserve for the period specified under SEC Rule 17a-4, a [written] record of every order and of any other instruction given or received for the purchase or sale of option contracts. Such record *must* [shall] show the terms and conditions (market order, limit order, etc.) of the order or instruction and of any modification or cancellation thereof, and in addition *must* [shall] include:

[(1) The account designation for which such order is to be executed;

(2) the date and time stamp indicating the time the order was entered and executed or cancelled;

(3) the type of option and the underlying stock;

(4) the expiration month, the exercise price, the number of option contracts and the execution price (premium);

(5) whether the order is a purchase or a sale (writing) and whether the order is an opening or a closing transaction;

(6) whether the order is solicited or unsolicited; and

(7) whether the order is discretionary.]

(1) *Clearing member organization;*

(2) *Option symbol, expiration month, exercise price, and type of option (call or put);*

(3) *Side of market (buy or sell);*

(4) *Quantity of option contracts;*

(5) *Any limit price, stop price, or special conditions;*

(6) *Opening or closing transaction;*

(7) *Time in force;*

(8) *Account origin code;*

(9) *Solicited or unsolicited;*

(10) *Order identification number;*

(11) *Order entry date and time, or the date and time of any modification of the terms of the order or cancellation of the order;*

(12) *Order execution time and price;*

(13) *Identity of the executing broker and the other party to the transaction; and*

(14) *Such other information as may be required by the Exchange.*

(b) *EOC Record Retention. Members and member organizations will comply with their record keeping obligations under this Rule by immediately entering orders upon receipt (including any modifications and cancellations) into EOC or the Member Firm Interface and retaining the record of such orders.*

(c) *Record Retention for Orders Excepted from EOC Pursuant to Rule 6.67(d).* In addition to the white (control) copy, and/or hard copy, which must be kept for the entire amount of time specified in Securities Exchange Act Rule 17a-4, the green (commission) copy must also be retained for a minimum of 48 hours from the trade date. In the case of those orders executed by independent Floor Brokers, it is their responsibility to retain the green (commission) copy, and the executing member firm must retain the white or hard copy. Also, all such records must be readily available for use on the trading floor for the resolution of any problems relating to the execution of these orders.

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Reporting Duties

Rule 6.69(a)–(e)—No change.

Commentary

.01 *EOC Reporting Procedure.* The Options Floor Trading Committee has

established the following procedure for reporting of transactions pursuant to Rule 6.69. For each transaction on the Exchange in which a *member* [he] participates as seller, *that* [a floor] member *will* [shall] immediately record into EOC, [on a card or ticket in a form acceptable to the Committee his] *its* assigned broker initial code, the symbol of the underlying security, the type, expiration month and exercise price of the option contract sold, the transaction price, the number of contract units comprising the transaction, the name of the contra clearing member, and the assigned broker initial code of the contra member. Members *must report any* [shall identify price reporting tickets which represent the] partial execution of a larger order into EOC [the manner prescribed by the Exchange. The card or ticket for a] Any agency order *must* [shall] also include the account origin code[.]. [as set forth in Commentary .02 below. This reporting card or ticket shall immediately be time-stamped at the station where option contracts of the class involved are traded and attached to the appropriate “buy” ticket. The card or ticket shall then be placed in the price reporting card box provided at the station. Before placing the tickets in the box, the member shall use his best efforts to make sure that the Order Book Official with respect to option contracts of the class involved, or the Order Book Official clerk, is aware of the transaction and its price. In transactions when the buyer accepts tickets from the seller(s), it shall be the buyer’s responsibility to time-stamp the tickets, use best efforts at securing the Order Book Staff’s attention to the transaction, and submit the tickets into the box.] Any floor member failing to immediately report a transaction in accordance with Rule 6.69 *will* [shall] be subject to [being fined] *disciplinary action pursuant to Rule 10.* [by the Options Floor Trading Committee.]

.02 *Reporting Procedures for Orders Excepted from EOC Pursuant to Rule 6.67(d).* The Options Floor Trading Committee has established the following procedure for reporting of transactions pursuant to Rule 6.69. For each transaction on the Exchange in which a *member* participates as seller, *that floor member will immediately record, on a card or ticket in a form acceptable to the Committee, its assigned broker initial code, the symbol of the underlying security, the type, expiration month and exercise price of the option contract sold, the transaction price, the number of contract units comprising the transaction, the name of the contra*