



Written Supervisory Procedures Review Checklist Guideline

The attached Written Supervisory Procedures (“WSPs”) Checklist is a guideline to assist CHX applicants, as well as current Participants and Participant Organizations, which are designated to the Chicago Stock Exchange, Inc. (“CHX” or “Exchange”) as their designated examining authority (“DEA”), regarding the required supervisory obligations for their securities business. It is to be used to assist these individuals or companies, in their process of establishing, preparing and enforcing new or revising current WSPs, to ensure that they are reasonably designed for detecting and preventing violations of CHX and SEC Rules and Regulations, in accordance with the requirements of CHX Article 6, Rule 5. As part of the application process, CHX applicants are required to submit a Letter of Purpose and Intent – Trading Participant Agreement, a copy of their proposed WSPs and a completed WSP Checklist, in accordance with CHX Article 3, Rule 3. The WSPs Checklist is also completed at the time of a DEA examination as a guideline for CHX examiners during the examination process.

The Checklist Guideline is not an all-encompassing, all-inclusive format for all designated Participants or Participant Organizations when establishing or reviewing their WSPs. It is also not a substitute for developing and maintaining comprehensive WSPs and an overall supervisory system. A Participant’s or Participant Organization’s WSPs should describe in detail the “who, what, when, how, and where” regarding the Firm’s policies and procedures to review for applicable Exchange and SEC Rules. Moreover, the WSPs should describe how the supervisory reviews are documented and that the evidence of review will be properly maintained. The WSPs should be sufficiently detailed so that they can be reasonably understood and reviewed to ensure that the Firm is complying with its WSPs. If a certain CHX or SEC Rule does not specifically apply to the Participant’s or Participant Organization’s business model or operation, this representation and support for such a position should be stated in the Participant’s WSPs.

This checklist is only a guideline and it may not cover all areas or aspects that require a Participant’s supervisory review. Each Participant and Participant Organization must create, maintain and enforce WSPs and a supervisory system that are tailored to the organizational structure and the type of securities business activities being conducted or, in the case of new applicants, that is being proposed to be conducted. The manner and method in which Participants implement their WSPs, the extent which a Participant firm updates and revises its WSPs in light of changes to its securities business will affect its ability to continuously comply with CHX and SEC Rules. WSPs must be updated regularly to reflect changes to CHX and SEC Rules and Regulations, as well as any changes to the Participant’s supervisory process and its supervisory system.

Compliance with this checklist guideline does not guarantee that a Participant (or an applicant seeking approval as a Participant) or its WSPs are in complete or continuous compliance with all Federal Securities laws and Exchange and SEC Rules regarding supervisory or other deficiencies.

CHICAGO STOCK EXCHANGE, INC.

WRITTEN SUPERVISORY PROCEDURES: CHECKLIST GUIDELINE

REQUIRED PROCEDURE	CHX and/or SEC Rule Reference(s) and Information Memos	N/A (If Procedure Does Not Apply)	WSP Page No.(s)	Supervisor Assigned	Frequency of Review or Last Date Reviewed	Type of Evidence of Review Maintained
I. General Administrative Procedures						
A. Form Filings:						
Form BD Amendments.	SEC Rule 15b3-1 (Amendments to Applications)					
Form U4 and Form U5.	CHX Article 6, Rule 2					
Fingerprint Record Forms.	SEC Rule 17f-2					
Designation of Principal/Officer/ Partner/ Managing Member/ Supervisor responsible for supervision of Form Filings.	CHX Article 6, Rule 5					
Designation of Executive Principal or Officer/Partner/ Managing Member/ Supervisor and Specific Supervisory Duties of Each Officer/ Supervisor.	CHX Article 6, Rule 5					
B. Business Conduct/Housekeeping Functions:						
Advertising and Promotion.	CHX Article 8, Rule 13; and SEC Rule 17a-3(a)(20)					

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Correspondence - Electronic Communication -Incoming/ Outgoing: written, facsimiles, electronic messages.	CHX Article 6, Rule 5; and SEC Rule 17a-4(b)(4)					
Complaints/ Inquiries (Customers, broker dealers, all other inquiries or complaints).	CHX Article 6, Rule 5					
Procedure Review for Notification to CHX of disciplinary actions by other SROs.	CHX Article 6, Rule 8					
Gifts and Gratuities.	CHX Article 8, Rule 7					
Periodic Review of Securities Business and Supervisory System. Prompt notification to the CHX of any changes to securities business plan/operation and/or changes to firm's Letter of Purpose and Intent participant agreement.	CHX Article 6, Rule 5					
Business Continuity Plan (If Applicable).						

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C. Registered and Associated Persons:						
Designation of Supervisors and Delegation of Supervisory Duties for Each Supervisor, including Title; Date Duties Assumed; Registration Status, if appropriate.	CHX Article 6, Rule 5					
Qualification records of Supervisory Persons.	CHX Article 6, Rule 5					
Status of all associated persons required to be registered.	CHX Article 6, Rules 2 and 5					
Investigation of background and qualifications of all associated and registered persons and employees.	CHX Article 6, Rules 2 and 5					
Supervision of Training and Examination Requirements of Associated and Registered Persons.	CHX Article 6, Rule 3; and Series 7, 7A and 27					
Records for all Associated and Registered Persons and employees.	CHX Article 6, Rule 2; SEC Rule 17a-3(a)(12); and Forms U4 and U5.					
Supervision and Reporting of Statutorily Disqualified Persons/ employees.	CHX Article 6, Rule 2					

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D. Continuing Education (“CE”) for Registered Persons						
CE Compliance Contact Person.	CHX Article 6, Rules 5 and 11					
Regulatory Element: Procedures for complying with CE anniversary dates. Prompt notification within 120 day window; tracking of registered person(s) required to take CE.	CHX Article 6, Rule 11; and MR Notice L-23-2005					
Firm Element: Procedures for annual needs analysis, if applicable; written plan; record of person(s) received training, if applicable.	CHX Article 6, Rule 11;and MR Notice L-23-2005					
E. Supervisory Control System:						
Designation of Compliance Officer(s).	CHX Article 6, Rule 5					
Annual Compliance Meeting	CHX Article 6, Rule 5					
Designation and Identification to CHX of Principal/ Managing Member/ General Partner responsible for Supervisory Controls.	CHX Article 6, Rule 5					
Control Procedure/ Review that Continually Updates WSP.	CHX Article 6, Rule 5					

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Annual Certification by CEO/Principal Officer/ Managing Member/ General Partner ensuring that participant firm has in place effective systems and procedures to establish, maintain, review, test, modify, document, and enforce Written Supervisory Procedures and policies for compliance with CHX and SEC Rules and Regulations including Market Access of order entry financial and regulatory risk management controls.	CHX Article 6, Rule 5(b); SEC Rule 15c3-5; CHX Information Memos MR-11-10 and MR-11-4					
Control Procedures For Testing to Ensure that WSP Reasonably Address All CHX and SEC Rules and Regulations.	CHX Article 6, Rule 5					
F. Financial Reporting - Books and Records:						
Designated Principal, General Partner, or Managing Member responsible for oversight.	CHX Article 6, Rule 5; and CHX Article 11, Rules 1 and 2					

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Preparation and Preservation of Books and Records: Main Office; Branch Offices; Trading Floor (if applicable).	CHX Article 11, Rules 2 and 3; SEC Rules 17a-3 and 17a-4					
Review procedures for prior Approval and/or Notice of all Capital Withdrawals including Partnership and LLC capital contribution withdrawals and corporate transfers of stockholder equity securities.	CHX Article 3, Rules 6(b) and 15; and SEC Rule 15c3-1(e)					
Computation of Net Capital - Responsibility Of Principal Officer/ Managing Member/ Partner.	CHX Article 7, Rule 3; and SEC Rules 15c3-1 and 17a-11					
Supervision of Securities Business under a Joint Back Office ("JBO") operation.	CHX Article 7, Rule 3A; Series 27 FINOP; and Forms U4 BD					
Responsibilities of the FINOP (Series 27) under a JBO Agreement. Must be specific in accordance with (a)(5)(A)-(F).	CHX Article 6, Rule 3(c) and CHX Article 7, Rule 3A(a)(5)(A)-(F)					
Margin Requirements (If applicable).	CHX Article 10 and Regulation T					

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FOCUS Reports - Monthly and Quarterly Electronic ("WinJammer") Filing; Monthly Financial Reporting Requirements.	CHX Article 7, Rules 3 and 4; SEC Rules 17a-5 and 17a-11					
Filing Requirements for the Annual Certified Financial Statements, if required, including five day Audit Commencement Notice by CPA.	CHX Article 7, Rule 4; and SEC Rule 17a-5					
Clearing Agreements - Responsibility for promptly reporting new agreements and changes to existing agreements.	CHX Article 21, Rule 1					
Institutional Broker Letter of Guarantee (Non-Clearing Institutional Brokers).	CHX Article 7, Rule 10					
Conducting business with the public, including exemptions and restrictions.	CHX Article 7, Rule 5					
Fidelity Bonds (Brokers Blanket Bond) - Requirements/ Exemptions.	CHX Article 7, Rule 6; SEC Rule 15c3-3 (K2i or K2ii exemption); and PAIB and Reserve Bank Accounts					

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Procedures to ensure Section 31 Fees for all Sales Transactions are properly being assessed, collected, and reported directly by the Firm or the Firm's Clearing Broker.	Section 31 of the Securities Exchange Act of 1934					
G. Anti-Money Laundering ("AML") Procedures:						
Designation of Contact Person: Name, Title, Mailing Address, E-Mail Address, Telephone, Fax Number.	CHX Article 6, Rule 12; USA Patriot Act of 2001; and Bank Secrecy Act of 2002					
Written AML Program approved in writing by Senior Management/ Principal.	CHX Article 6, Rule 12; USA Patriot Act of 2001; and Bank Secrecy Act of 2002					
Procedures reasonably expected to detect reporting of suspicious transactions, should they occur.	CHX Article 6, Rule 12; USA Patriot Act of 2001; and Bank Secrecy Act of 2002					
Independent Testing of Firm's AML Program.	CHX Article 6, Rule 12; USA Patriot Act of 2001; and Bank Secrecy Act of 2002					
On-Going training of appropriate associated persons and employees.	CHX Article 6, Rule 12; USA Patriot Act of 2001; and Bank Secrecy Act of 2002					
Procedures for reporting of funds transfers of \$3,000 or more.	Joint and Travel Rule, 31 C.F.R. §103.33					

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Identification and verification ("Due Diligence or "Know Your Customer") procedures of Customers (broker dealers, institutions, etc. as appropriate).	CHX Article 6, Rule 12; USA Patriot Act of 2001; and Bank Secrecy Act of 2002					
Determination if such persons/entities (including associated persons and employees) are shown as listed on the Treasury's Office of Foreign Assets Controls ("OFAC") Website.	CHX Article 6, Rule 12; USA Patriot Act of 2001; and Bank Secrecy Act of 2002					
Responding to information requests from FINCEN concerning money laundering.	Section 314 of US Patriot Act					
Sharing Anti-Money Laundering information with other financial institutions, if applicable.	Section 314 of US Patriot Act					
Internal controls if firm opens or maintains accounts for foreign financial institutions, private banks, shell banks.	CHX Article 6, Rule 12; USA Patriot Act of 2001; and Bank Secrecy Act of 2002					
Reporting and Recordkeeping of Currency and Foreign Transactions.	SEC Rules 17a-8, 17a-3 and 17a-4					

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Procedures for filing reports for Suspicious Activity Reports ("SAR") to the US Treasury involving funds of \$5,000 or more.	31 C.F.R §103.19					
Procedures to determine whether to freeze accounts or prohibit transactions with persons/entities suspected of terrorist activities to comply with Executive Order 13224 as issued through OFAC.	31 C.F.R §103.19					
Procedures and internal controls to detect the receipt of currency if cash and currency transactions are prohibited by the firm.	31 C.F.R §103.19					
Procedures for filing of Currency Transaction Reports ("CTRs"), Currency Monetary Instrument Reports ("CMIRs") and Foreign Financial Account Reports ("FBARs") for transactions of more than \$10,000.	SEC Rule 17a-8; and 31 C.F.R §103.22, 103.23, 103.24, 103.27 and 103.28					

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II. Securities Trading Activities						
Order Tickets and Confirmations, if applicable.	CHX Article 11, Rule 3; and SEC Rules 17a-3, 17a-4 and 10b-10					
Record of Orders and Executions.	CHX Article 11, Rule 1, 2 and 3; and SEC Rules 17a-3 and 17a-4					
III. Insider Trading						
Review of procedures to ensure prevention of misuse of material non-public information.	CHX Article 6, Rule 5; and Insider Trading and Securities Fraud Enforcement Act of 1988					
Maintenance of a restricted trading list.	CHX Article 6, Rule 5; and Insider Trading and Securities Fraud Enforcement Act of 1988					
Retention of Annual Disclosure Statements of associated persons, and employees.	CHX Article 6, Rule 5; and Insider Trading and Securities Fraud Enforcement Act of 1988					
Review/ Retention of evidence that securities account statements of associated person/ employees are reviewed by senior management.	CHX Article 6, Rule 5; and Insider Trading and Securities Fraud Enforcement Act of 1988					

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IV. Trading Rules Review Procedures						
A. General Applicability:						
Procedures that are reasonably designed to comply with SEC Rule 15c3-5 (the "Market Access Rule"), addressing the following:						
Electronic controls in place to avoid entry of error and duplicative orders; and	SEC Rule 15c3-5					
The proper financial risk controls and defined preset limits in place for intraday aggregate risk checks.	SEC Rule 15c3-5					
Internal policies related to compliance with Large Trader reporting requirements.	SEC Rule 13h-1					
Procedures that include specific references to abusive trading practices, which include, but are not limited to, the following:						
Prearranged Trades;	CHX Article 9, Rule 10					
Fictitious Trades;	CHX Article 9, Rule 9					
Price Manipulation;	CHX Article 9, Rule 11; and SEC Rule 10b-5					
Wash sales;	CHX Article 9, Rule 9					

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Spoofing;	CHX Article 9, Rule 11; and SEC Rule 10b-5					
Layering; and	CHX Article 9, Rule 11; and SEC Rule 10b-5					
Quote Stuffing.	CHX Article 9, Rule 11; and SEC Rule 10b-5					
B. CHX Specific Rules						
Access to Exchange Systems: Procedures that addresses the physical security of the equipment used to access the Exchange to prevent improper use of, or access to, Exchange facilities and maintenance of a list of authorized persons.	CHX Article 5, Rule 1					
Non-Participant Access to the Exchange.	CHX Article 5, Rule 3					
Breaking Up Orders: Procedures that address the prohibition of splitting up customer orders for the primary purpose of maximizing rebates or other payments to the Participant, or submitting proprietary orders in small increments.	CHX Article 9, Rule 15					

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Cancellation or Adjustment of Bona Fide Error Trades; Error Correction Transactions; Handling of Clearly Erroneous Transactions; Cancellation or Adjustment of Stock Leg Trades.	CHX Article 20, Rules 9, 9A, 10 and 11					
C. Regulation NMS Rule 611(a)						
Operational policies and written supervisory procedures that are reasonably designed to prevent trade-throughs.	SEC Regulation NMS, Rule 611(a)(1)					
D. Regulation NMS Rule 611(b)						
Operational policies and written supervisory procedures, where applicable, to ensure compliance with the trade-through exceptions in Rule 611(b), including:						
The "self-help" exemption;	SEC Regulation NMS, Rule 611(b)(1)					
Transactions other than "regular way" contracts;	SEC Regulation NMS, Rule 611(b)(2)					

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Transactions executed at a time when protected quotations are crossed;	SEC Regulation NMS, Rule 611(b)(4)					
Exceptions for intermarket sweep order ("ISO");	SEC Regulation NMS, Rule 611(b)(5) and (b)(6)					
Benchmark orders;	SEC Regulation NMS, Rule 611(b)(7)					
Intraday benchmark VWAP trades;	SEC Regulation NMS, Rule 611(b)(7)					
ADR conversions that include a pass through fee;	SEC Regulation NMS, Rule 611(b)(7)					
Flickering quotations;	SEC Regulation NMS, Rule 611(b)(8)					
Execution of certain stopped orders;	SEC Regulation NMS, Rule 611(b)(9)					
Qualified Contingent Trade ("QCT") exemptions; and	SEC Regulation NMS, Rule 611(d)					
Bona Fide Error correction exemptions.	SEC Regulation NMS, Rule 611(d)					

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E. Regulation NMS Rule 612						
Operational policies and written supervisory procedures to ensure the member does not display, rank, or accept quotations, orders, or indications of interest in any NMS stock priced in an increment smaller than \$.01 if the quotation, order, or indication of interest is priced equal to or greater than \$1.00 per share.	SEC Regulation NMS, Rule 612(a)					
Operational policies and written supervisory procedures to ensure the member does not display, rank, or accept quotations, orders, or indications of interest in any NMS stock priced in an increment smaller than \$.0001 if the quotation, order, or indication of interest is priced equal to or greater than \$1.00 per share.	SEC Regulation NMS, Rule 612(b)					

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F. The Procedures in this Section are <u>only</u> required if your Firm handles customer orders.						
Operational policies and written supervisory procedures to ensure the firm complies with order routing disclosure obligations related to quarterly reporting of routing practices for customers.	SEC Regulation NMS, Rule 606					
Operational policies and written supervisory procedures to ensure the firm complies with payment for order flow disclosure obligations at the time of customer account opening related to routing decisions for customer orders.	SEC Regulation NMS, Rule 607					

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<p>G. The Procedures in this Section are <u>only</u> required if your Firm will Route and/or initiate Intermarket Sweep Orders (“ISO”) and/or uses a third party to perform routing function applicability. If your Firm will not engage in this activity, please proceed to the next Section.</p>						
<p>If the trading center/broker-dealer uses a conduit routing arrangement, operational policies and written supervisory procedures to ensure that roles are clearly defined and allocated among the parties.</p>	<p>SEC Regulation NMS, Rule 611(b)(5), (b)(6) and (c)</p>					
<p>If the trading center/broker-dealer uses a conduit routing arrangement in which the other party performs routing functions, procedures to ensure the service provider can meet Rule 611 obligations, and to monitor the performance of the provider.</p>	<p>SEC Regulation NMS, Rule 611(b)(5), (b)(6) and (c)</p>					
<p>Operational policies and procedures to ensure that the trading center routing ISOs can bypass other trading centers against which the routing trading center has "self-help" in effect.</p>	<p>SEC Regulation NMS, Rule 611(b)(1), (b)(5), (b)(6) and (c)</p>					

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Operational policies and written supervisory procedures to monitor the trading center's/broker-dealer's routing mechanism for ISOs to affirm that it is properly functioning and that the trading center/broker-dealer has either a reliable backup routing mechanism or it will cease routing ISOs, if the system is down.	SEC Regulation NMS, Rule 611(b)(5), (b)(6) and (c)					
Operational policies and procedures to ensure that, if the trading center has reasonable ISO policies/ procedures, it is permitted to have a one-second time-out prior to re-routing orders to a non-responsive trading center.	SEC Regulation NMS, Rule 611(b)(5), (b)(6) and (c)					

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<p>H. The Procedures in this Section are <u>only</u> required if Your Firm will: operate as a Trading Center under Rule 600(b) (78) Regulation NMS; be a registered exchange or an OTC market maker; be registered as an Alternative Trading System; execute orders internally in a principal capacity; or execute cross orders internally in an agency capacity. If your Firm will not engage in this activity, please proceed to the next Section.</p>						
Operational policies and written supervisory procedures to ensure that the trading center regularly surveils to ascertain the effectiveness of the policies and procedures required by SEC Rule 611(a)(1)	SEC Regulation NMS, Rule 611(a)(2)					
Operational policies and procedures that establish objective parameters/ standards governing the use of Rule 611(b) exceptions.	SEC Regulation NMS, Rule 611(a)					
Operational policies and written supervisory procedures to ensure that the trading center conducts real-time monitoring of the protected quotes of other trading centers.	SEC Regulation NMS, Rule 611(a)(2)					

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Procedures to ensure that the trading center conducts periodic reviews for specific time periods that are designed to test the effectiveness of the trading center's policies and procedures for preventing trade-throughs.	SEC Regulation NMS, Rule 611(a)(2)					
Procedures to ensure that, on a monthly basis, the trading center collects and retains firm-specific quote data from three (3) random trade dates or other method the firm has implemented regarding the retention of sufficient firm specific quotation data to demonstrate the reasonableness of its Rule 611 compliance reviews.	SEC Regulation NMS, Rule 611(a)(2)					
Procedures to ensure that the trading center documents prices in existence for non-trade-throughs to verify that the trades were not actually trade-throughs.	SEC Regulation NMS, Rule 611(a)(2)					

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Operational policies and written supervisory procedures to continuously monitor latencies in obtaining protected quote data and to resolve any resulting issues.	SEC Regulation NMS, Rule 611(a)(2)					
If the trading center uses different clocks to assign time-stamps to its order, trade and quotation data, operational policies and written supervisory procedures to synchronize internal clocks.	SEC Regulation NMS, Rule 611(a)(2)					
Operational policies and written supervisory procedures to ensure that the trading center's automated order handling and trading systems are programmed in accordance with the established policies and procedures.	SEC Regulation NMS, Rule 611(a)					
Procedures to ensure that the correct programming has been done, and to identify/correct problems in a timely manner.	SEC Regulation NMS, Rule 611(a)					

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Operational policies and procedures that contain the minimum elements (notice; system assessment and response; and objective parameters) necessary to comply with the self-help exception.	SEC Regulation NMS, Rule 611(b)(1)					
Operational policies and written supervisory procedures to ensure that the trading center's parameters for the self-help exemption are not based on single failure.	SEC Regulation NMS, Rule 611(b)(1)					
Operational policies and procedures to ensure that the trading center routing ISOs can bypass other trading centers against which the routing trading center has "self-help" in effect.	SEC Regulation NMS, Rule 611(b)(1), (b)(5), (b)(6) and (c)					

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Operational policies and written supervisory procedures to ensure the effectiveness of the trading center's policies and procedures regarding print protection trades exemptions.	SEC Regulation NMS, Rule 611(b) [FAQ 3.20]					
I. Procedures Related to Regulation SHO						
Operational policies and written supervisory procedures to ensure the proper marking all sell activity as "long", "short" or "short exempt". Identification and procedures related to any aggregation units utilized within the firm as defined by the rule.	SEC Regulation SHO, Rule 200 (Ownership and Marking)					
Operational policies and written supervisory procedures to ensure compliance with stock locate, borrowing and delivery requirements of short sales as well as proper support for any exceptions(s) relied upon related to these requirements.	SEC Regulation SHO, Rule 203 (Stock Locates, Borrowing and Delivery)					

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Operational policies and written supervisory procedures established, maintained and enforced to meet the requirement to prevent the execution or display of short sale orders at a price that is less than or equal to the current national best bid and proper support for any exception(s) relied upon related to this requirement.	SEC Regulation SHO, Rule 201 (Alternative Uptick Rule)					
Operational policies and written supervisory procedures established, maintained and enforced to meet the applicable defined close out requirements related to fail to delivers.	SEC Regulation SHO, Rule 204 (Close Out Requirement)					
J. The Procedures in this Section are <u>only</u> required if Your Firm will be registered as a CHX Institutional Brokerage (“IB”), pursuant to CHX Article 17, Rule 2. If your Firm will not be registered as an IB, please proceed to the next Section.						
Designated Supervisory Principal.	CHX Article 6, Rule 5 and CHX Article 17, Rules 1, 2 and 3					
Review For Institutional Broker Exam for nominees.	CHX Article 6, Rule 3 and CHX Article 17, Rules 1, 2 and 3					

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Review for Public Business Exam Requirement (Series 7 or Series 7A), if applicable.	CHX Article 6, Rule 3 and CHX Article 17, Rules 1, 2 and 3					
Supervisory Review of Institutional Brokerage trading activity.	CHX Article 6, Rule 5; CHX Article 17, Rule 3; and SEC Rule 17a-3(a)(6) and (7)					
Review for evidence of Personal Selling and Purchasing Securities Accounts of associated persons and employees or firm proprietary trading while holding customer orders.	CHX Article 9, Rule 17					
Review for Best Execution requirements.	CHX Article 17, Rule 3					
Review of proper use of Institutional Brokerage Accounts and electronic Records of Order requirements.	CHX Article 6, Rule 5; CHX Article 11, Rule 3; and CHX Article 17, Rule 3					
Review of Bona Fide Errors; Trade Error Report.	CHX Article 11, Rule 3; CHX Article 17, Rule 3; and SEC Rule 17a-3(a) (6) and (7)					
Review of Information Barrier procedures for multi-unit Institutional Brokers.	CHX Article 17, Rule 6					

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Review of procedures related to "Clearing Only" services being provided, if applicable.	CHX Article 21, Rule 6					
Review of procedures to ensure that proper Clearing Agreements are obtained prior to clearing submission.	CHX Article 21, Rule 6					
Review of procedures to ensure that clearing flips and/or recovery activities are being handled in accordance to CHX Article 21, Rule 6.	CHX Article 21, Rule 6					
K. The Procedures in this Section are <u>only</u> required if Your Firm will be registered as a CHX Market Maker, pursuant to CHX Article 16, Rule 1 and 2. If your Firm will not be registered as a CHX Market Maker, please proceed to the next Section.						
Designated Supervisory Principal.	CHX Article 6, Rule 5 and CHX Article 16, Rule 1					
Review for Market-Maker Exam.	CHX Article 6, Rule 3 and CHX Article 16, Rule 2					
Training Program specific to market maker rules, responsibilities, and supervisory procedures.	CHX Article 6, Rule 5 and CHX Article 16, Rule 2					
Review of Trade Requirements.	CHX Article 16, Rule 8					

REQUIRED PROCEDURE	CHX and/or SEC Rule Reference(s) and Information Memos	N/A (If Procedure Does Not Apply)	WSP Page No.(s)	Supervisor Assigned	Frequency of Review or Last Date Reviewed	Type of Evidence of Review Maintained
Review of Market Maker Tickets/ Transactions; Record of Orders, Bona Fide Errors; Trade Error Report.	CHX Article 6, Rule 5; CHX Article 16, Rule 10; CHX Article 20, Rule 3; and SEC Rule 17a-3(a)(6) and (7)					
Review for evidence of Personal Selling and Purchasing Securities Accounts of associated persons and employees while holding customer or firm orders. Review for Fictitious and/or Prearranged Transactions.	CHX Article 9, Rule 17; and SEC Rule 10b-5					
Review for Notice to CHX for Security Positions equal to or more than 5% of outstanding float.	CHX Article 9, Rule 23(b)					
L. The Procedures in this Section are <u>only</u> required if your Firm will engage in Proprietary Trading. If your Firm will not engage in this business, you need not review for procedures in this Section.						
Designated Supervisory Series 24 and/or Series 14 Principal.	CHX Article 6, Rules 3 and 5					
Review for Proprietary Trading Series 56 or 57 examination requirements.	CHX Article 6, Rule 3					

REQUIRED PROCEDURE	CHX and/or SEC Rule Reference(s) and Information Memos	N/A (If Procedure Does Not Apply)	WSP Page No.(s)	Supervisor Assigned	Frequency of Review or Last Date Reviewed	Type of Evidence of Review Maintained
Review of Tickets, Orders, Executions, Transactions.	CHX Article 6, Rule 5; CHX Article 9, Rule 24; CHX Article 20, Rule 3; CHX Article 11, Rules 1, 2 and 3; and SEC Rule 17a-3(a)(6) and (7)					
Review for evidence of Personal Securities Accounts of associated persons and employees while holding customer or firm orders.	CHX Article 9, Rule 17					
Training Program specific to Proprietary Trader(s) rules, responsibilities and supervisory procedures, including algorithmic trading-related design, testing and implementation procedures.	CHX Article 6, Rule 5					