

**Form ATS**

OMB APPROVAL	
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**INITIAL OPERATION REPORT, AMENDMENT TO INITIAL OPERATION REPORT  
AND CESSATION OF OPERATIONS REPORT FOR ALTERNATIVE TRADING  
SYSTEMS**

## FORM ATS INSTRUCTIONS

### A. GENERAL INSTRUCTIONS

1. Form ATS is the form an alternative trading system must file to notify the Securities and Exchange Commission ("SEC" or "Commission") of its activities pursuant to Regulation ATS, § 242.300 et seq.
2. **WHEN TO FILE FORM ATS**
  - An alternative trading system must file an initial operation report on Form ATS at least 20 days prior to commencing operation.
  - The alternative trading system must update Form ATS information by submitting amendments to the initial operation report at least 20 calendar days prior to implementing a material change to the operation of the alternative trading system as described on Form ATS or any amendment thereto. Additionally, the alternative trading system must update Form ATS information by submitting amendments to the initial operation report on Form ATS within 30 calendar days after the end of each calendar quarter in which the alternative trading system has operated, correcting any information contained in any initial operation report or any amendment thereto that has been rendered inaccurate and that has not previously been reported to the SEC.
  - An alternative trading system must also file a cessation of operations report on Form ATS promptly upon ceasing to operate.
  - Form ATS shall not be considered filed, unless it complies with applicable requirements.
3. **CONTACT EMPLOYEE** - The individual listed on page 1 as the contact employee must be authorized to receive all contact information, communications and mailings and be responsible for disseminating that information within the alternative trading system's organization.
4. **FORMAT**
  - Attach an Execution Page (Page 1) with original manual signatures.
  - Please type all information.
  - Provide the name of the alternative trading system, the CRD number, the SEC File number, and the filing date on each page.
  - Use only the current version of Form ATS or a reproduction.
5. **WHERE TO FILE AND NUMBER OF COPIES** - Submit one original and two copies of Form ATS to: SEC, Division of Market Regulation, 450 Fifth Street, N.W., Washington D.C. 20549-1002. Simultaneously with the filing of the original with the SEC, file one duplicate copy of Form ATS with surveillance personnel designated by the self-regulatory organization that is the designated examining authority for the alternative trading system pursuant to Rule 17d-1 under the Securities Exchange Act of 1934.
6. **RECORDKEEPING** - A copy of this Form ATS, as well as the forms filed with the SEC, must be retained by the alternative trading system and made available for inspection upon request of the SEC.
7. **PAPERWORK REDUCTION ACT DISCLOSURE**
  - Form ATS requires an alternative trading system subject to Regulation ATS to provide the Commission with certain information regarding the operation of the alternative trading system, material and other changes to the operation of the alternative trading system, and notice upon ceasing operation of the alternative trading system.
  - An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. Sections 3(b), 11A(a), 11A(c), 15(c), 17(a), 23(a) and 36(a) authorize the Commission to collect information on this Form ATS from alternative trading systems that are subject to Regulation ATS. See 15 U.S.C. §§78c(b), 78k-1(a), 78k-1(c), 78o(c), 78q(a), 78w(a) and 78mm(a).
  - Any member of the public may direct to the Commission any comments concerning the accuracy of the burden estimate on the facing page of Form ATS and any suggestions for reducing this burden.
  - Form ATS is designed to enable the Commission to determine whether an alternative trading system subject to Regulation ATS is in compliance with Regulation ATS and other federal securities laws.
  - It is estimated that an alternative trading system will spend approximately 20 hours completing the initial operation report on Form ATS, approximately 4 hours preparing each amendment to Form ATS, and approximately 2 hours preparing a cessation of operations report on Form ATS.
  - It is mandatory that an alternative trading system subject to Regulation ATS file an initial operation report on Form ATS, file an amendment to Form ATS prior to making a material change, file quarterly amendments to Form ATS to reflect changes not previously reported, and file notice on Form ATS upon ceasing operation of the ATS.

## FORM ATS INSTRUCTIONS

- All reports provided to the Commission on Form ATS are deemed confidential and will be available only to the examination of Commission staff, state securities authorities, and the self-regulatory organizations. Subject to the provisions of the Freedom of Information Act, 5 U.S.C. 522 (“FOIA”) and the Commission’s rules thereunder (17 CFR 200.80(b)(4)(iii)), the Commission does not generally publish or make available information contained in any reports, summaries, analyses, letters, or memoranda arising out of, in anticipation of, or in connection with, an examination or inspection of the books and records of any person or any other investigation.
- This collection of information has been reviewed by the Office of Management and Budget (“OMB”) in accordance with the clearance requirements of 44 U.S.C. §3507. The applicable Privacy Act system of records is SEC-2 and the routine uses of the records are set forth at 40 FR 39255 (August 27, 1975) and 41 FR 5318 (February 5, 1976).

### B. EXPLANATION OF TERMS

**ALTERNATIVE TRADING SYSTEM** - Shall mean any organization, association, person, group of persons, or system: (1) that constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of securities or for otherwise performing with respect to securities the functions commonly performed by a stock exchange within the meaning of Rule 3b-16 under the Exchange Act; and (2) that does not (i) set rules governing the conduct of subscribers other than the conduct of such subscribers’ trading on such organization, association, person, group of persons, or system, or (ii) discipline subscribers other than by exclusion from trading.

**SUBSCRIBER** - Shall mean any person that has entered into a contractual agreement with an alternative trading system to access such alternative trading system for the purpose of effecting transactions in securities or for submitting, disseminating, or displaying orders on such alternative trading system, including a customer, member, user, or participant in an alternative trading system. A subscriber, however, shall not include a national securities exchange or national securities association.

**ORDER** - Shall mean any firm indication of a willingness to buy or sell a security, as either principal or agent, including any bid or offer quotation, market order, limit order or other priced order.

WARNING: Failure to keep this form current and to file accurate supplementary information on a timely basis, or the failure to keep accurate books and records or otherwise to comply with the provisions of law applying to the conduct of alternative trading systems would violate the federal securities laws and may result in disciplinary, administrative or criminal action.

INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS

INITIAL OPERATION REPORT     AMENDMENT TO INITIAL OPERATION REPORT     CESSATION OF OPERATIONS REPORT

1. Exact name, principal business address, mailing address, if different, and telephone number of alternative trading system:

A. Full name of alternative trading system (if sole proprietor, last, first and middle name):  
\_\_\_\_\_

B. Name(s) under which business is conducted, if different from Item 1A:  
\_\_\_\_\_

C. CRD Number: \_\_\_\_\_      D. SEC File No.: 8- \_\_\_\_\_

E. If this filing makes a name change on behalf of the alternative trading system, enter the previous name and specify whether the name change is of the \_\_\_\_\_ alternative trading system name (1A), or \_\_\_\_\_ business name (1B):  
Previous name: \_\_\_\_\_

F. Alternative trading system's main street address (Do not use a P.O. Box):  
\_\_\_\_\_  
\_\_\_\_\_

G. Mailing address (if different):  
\_\_\_\_\_  
\_\_\_\_\_

H. Business telephone and facsimile number:  
\_\_\_\_\_  
\_\_\_\_\_ (Telephone)      (Facsimile)

I. Contact employee:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Name and Title)      (Telephone Number)      (Facsimile)

**EXECUTION:** The alternative trading system consents that service of any civil action brought by, or notice of any proceeding before, the SEC or a self-regulatory organization in connection with the alternative trading system's activities may be given by registered or certified mail or confirmed telegram, to the alternative trading system's contact employee at the main address, or mailing address if different, given in Items 1F and 1G. The undersigned, being first duly sworn, deposes and says that he/she has executed this form on behalf of, and with the authority of, said alternative trading system. The undersigned and alternative trading system represent that the information and statements contained herein, including exhibits, schedules, or other documents attached hereto, and other information filed herewith, all of which are made a part hereof, are current, true, and complete.

Date: \_\_\_\_\_ (MM/DD/YY)      \_\_\_\_\_ (Name of applicant)

By: \_\_\_\_\_ (Signature)      \_\_\_\_\_ (Printed Name and Title)

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_  
(Month)      (Year)      (Notary Public)

My Commission expires \_\_\_\_\_ County of \_\_\_\_\_ State of \_\_\_\_\_

***This page must always be completed in full with original, manual signature and notarization.***  
***Affix notary stamp or seal where applicable.***

**DO NOT WRITE BELOW THIS LINE - FOR OFFICIAL USE ONLY**

Form ATS Page 2	<b>UNITED STATES SECURITIES AND EXCHANGE COMMISSION</b> <b>WASHINGTON, D.C. 20549</b> <b>INITIAL OPERATION REPORT, AMENDMENT TO INITIAL OPERATION REPORT AND</b> <b>CESSATION OF OPERATIONS REPORT FOR ALTERNATIVE TRADING SYSTEMS</b>	OFFICIAL USE	OFFICIAL USE ONLY
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Alternative trading system name: \_\_\_\_\_ CRD Number: \_\_\_\_\_  
 Filing date: \_\_\_\_\_ SEC File Number: 8- \_\_\_\_\_

2. If this is an initial operation report, the date the alternative trading system expects to commence operation: \_\_\_\_\_
3. Attach as Exhibit A, a description of classes of subscribers (for example, broker-dealer, institution, or retail). Also describe any differences in access to the services offered by the alternative trading system to different groups or classes of subscribers.
4. Attach as Exhibit B:
  - a. A list of the types of securities the alternative trading system trades (for example, debt, equity, listed, Nasdaq NM), or if this is an initial operation report, the types of securities it expects to trade. Note whether any types of securities are not registered under Section 12(a) of the Exchange Act of 1934 ("Exchange Act").
  - b. A list of the securities the alternative trading system trades, or if this is an initial operation report, the securities it expects to trade. Note whether any securities are not registered under Section 12(a) of the Exchange Act.
5. Attach as Exhibit C, the name, address, and telephone number of counsel for the alternative trading system.
6. Attach as Exhibit D, a copy of the constitution, articles of incorporation or association, with all amendments, and of the existing by-laws or corresponding rules or instruments, whatever the name, of the alternative trading system. If this information is publicly available on a continuous basis on an Internet site controlled by the alternative trading system, the alternative trading system may indicate the location of the Internet web site where such information may be found in lieu of filing such information with the Commission.
7. Attach as Exhibit E, the name of any entity, other than the alternative trading system, that will be involved in operation of the alternative trading system, including the execution, trading, clearing, and settling of transactions on behalf of the alternative trading system. Provide a description of the role and responsibilities of each entity.
8. Attach as Exhibit F, the following information:
  - a. The manner of operation of the alternative trading system;
  - b. Procedures governing entry of orders into the alternative trading system;
  - c. The means of access to the alternative trading system;
  - d. The procedures governing execution, reporting, clearance, and settlement of transactions effected through the alternative trading system;
  - e. Procedures for ensuring subscriber compliance with system guidelines; and
  - f. A copy of the alternative trading system's subscriber manual and any other materials provided to subscribers.
9. Attach as Exhibit G, a brief description of the alternative trading system's procedures for reviewing system capacity, security, and contingency planning procedures.
10. If any other entity, other than the alternative trading system, will hold or safeguard subscriber funds or securities on a regular basis, attach as Exhibit H the name of such entity and a brief description of the controls that will be implemented to ensure the safety of such funds and securities.
11. Attach as Exhibit I, a list providing the full legal name of those direct owners reported on Schedule A of Form BD.