

| OMB APPROVAL  |                  |
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| OMB Number:   | 3235-0509        |
| Expires:  | October 31, 2007 |
| Estimated average burden<br>hours per response. . . . . | 3.5              |

**QUARTERLY REPORT OF ALTERNATIVE TRADING SYSTEM ACTIVITIES**

## FORM ATS-R INSTRUCTIONS

### A. GENERAL INSTRUCTIONS

1. Form ATS-R must be filed by alternative trading systems subject to Regulation ATS within 30 days after the end of each calendar quarter, or more frequently upon request of the Securities and Exchange Commission ("SEC" or "Commission"). This Form should be prepared as of the last day of each calendar quarter.
2. **WHEN TO FILE A FORM ATS-R** - File Form ATS-R within 30 calendar days after the end of each calendar quarter in which the alternative trading system has operated after the effective date of Regulation ATS. Also file Form ATS-R within 10 calendar days after an alternative trading system ceases to operate.
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 the Execution Page (Page 1) with every filing of Form ATS-R.
  - Please type all information.
  - Be sure to note the alternative trading system name, CRD number, SEC file number, and report period dates on each page.
  - Use only the current version of Form ATS-R or a reproduction.
5. **WHERE TO FILE AND NUMBER OF COPIES** - Submit one original and two copies of Form ATS-R to: SEC, Division of Market Regulation, 450 Fifth Street, N.W., Washington D.C. 20549-1002.
6. **RECORDKEEPING** - A copy of this Form ATS-R, 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-R requires an alternative trading system subject to Regulation ATS to provide the Commission with quarterly reports regarding trading activities.
  - 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-R and any suggestions for reducing this burden.
  - Form ATS-R is designed to enable the Commission to more effectively track the growth and development of alternative trading systems, as well as to more effectively comply with its statutory obligations with respect to alternative trading systems and improve investor protection.
  - It is estimated that an alternative trading system will spend approximately 3.5 hours completing Form ATS-R.
  - It is mandatory that an alternative trading system subject to Regulation ATS file quarterly reports on Form ATS-R with the Commission.
  - All reports provided to the Commission on Form ATS-R 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).
8. Only those alternative trading systems subject to the fair access obligations under §242.301(b)(5) are required to respond to question 7 on Form ATS-R.

## FORM ATS-R INSTRUCTIONS

### 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.

**INVESTMENT GRADE CORPORATE DEBT SECURITIES** - Shall mean any security that: (1) evidences a liability of the issuer of such security; (2) has a fixed maturity date that is at least one year following the date of issuance; (3) is rated in one of the four highest ratings categories by at least one Nationally Recognized Statistical Ratings Organization; and (4) is not an exempted security, as defined in §3(a)(12) of the Act (15 U.S.C. 78o).

**NON-INVESTMENT GRADE CORPORATE DEBT SECURITIES** - Shall mean any security that: (1) evidences a liability of the issuer of such security; (2) has a fixed maturity date that is at least one year following the date of issuance; (3) is not rated in one of the four highest ratings categories by at least one Nationally Recognized Statistical Ratings Organization; and (4) is not an exempted security, as defined in §3(a)(12) of the Act (15 U.S.C. 78o).

**DEBT SECURITIES** - Shall mean any security other than an equity security, as defined in §240.3a11-1.

**EQUITY SECURITIES** - Shall have the same meaning as in §240.3a11-1.

**GOVERNMENT SECURITIES** - Shall have the same meaning as in Exchange Act Section 3(a)(42), including those instruments in paragraph (D) of § 3(a)(42) of the Exchange Act.

**LISTED EQUITY SECURITIES** - Shall mean any equity securities that are listed and registered, or admitted to unlisted trading privileges, on a national securities exchange.

**LISTED OPTIONS** - Shall mean any options traded on a registered national securities exchange or automated facility of a registered national securities association.

**MORTGAGE RELATED SECURITIES** - Shall have the same meaning as in Exchange Act Section 3(a)(41).

**MUNICIPAL SECURITIES** - Shall have the same meaning as in Exchange Act Section 3(a)(29).

**NASDAQ NATIONAL MARKET SECURITIES** - Shall mean any securities designated as Nasdaq National Market Securities by The Nasdaq Stock Market.

**NASDAQ SMALLCAP MARKET SECURITIES** - Shall mean any securities designated as Nasdaq SmallCap Market Securities by The Nasdaq Stock Market.

**PENNY STOCK** - Shall have the same meaning as in Exchange Act Section 3(a)(51).

**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 to submit, disseminate, or display 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.

**UNLISTED OPTIONS** - Shall mean any options other than those traded on a registered national securities exchange or automated facility of a registered national securities association.

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**QUARTERLY REPORT OF ALTERNATIVE TRADING SYSTEM ACTIVITIES**

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INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS

Alternative Trading System Name: \_\_\_\_\_

Period covered by this report: \_\_\_\_\_ to \_\_\_\_\_

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)

(Facsimile)

2. Attach as Exhibit A, a list of all subscribers that were participants of the alternative trading system at any time during the period covered by this report.

3. Attach as Exhibit B, a list of all securities that were traded on the alternative trading system at any time during the period covered by this report.

**EXECUTION:** The alternative trading system consents that service of any civil action brought by, or notice of any proceeding before, the SEC or 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 alternative trading system)

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.***

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Alternative Trading System Name: \_\_\_\_\_ CRD Number: \_\_\_\_\_

Period covered by this report: \_\_\_\_\_ to \_\_\_\_\_ SEC File Number:8-\_\_\_\_\_

4. Provide the total unit and dollar volume of transactions in the following securities. For securities reported in 4J-4O, report total settlement value in U.S. Dollars. Enter "None," "N/A" or "0" where appropriate.

| <i>Category of Securities</i>   | <i>Total Unit Volume of Transactions</i> | <i>Total Dollar Volume of Transactions</i> |
|---|--|--|
| A. Listed Equity Securities   | <input type="text"/>                     | <input type="text"/>                       |
| B. Nasdaq National Market Securities  | <input type="text"/>                     | <input type="text"/>                       |
| C. Nasdaq SmallCap Market Securities  | <input type="text"/>                     | <input type="text"/>                       |
| D. Equity securities issued pursuant to Rule 144A of the Securities Act of 1933 | <input type="text"/>                     | <input type="text"/>                       |
| E. Penny Stock, other than any securities included in Items 4A-4D above         | <input type="text"/>                     | <input type="text"/>                       |
| F. Other equity securities not included in Items 4A-4E above                    | <input type="text"/>                     | <input type="text"/>                       |
| G. Rights and warrants  | <input type="text"/>                     | <input type="text"/>                       |
| H. Listed options   | <input type="text"/>                     | <input type="text"/>                       |
| I. Unlisted options   | <input type="text"/>                     | <input type="text"/>                       |
| J. Government securities  | <input type="text"/>                     | <input type="text"/>                       |
| K. Municipal securities   | <input type="text"/>                     | <input type="text"/>                       |
| L. Investment grade corporate debt securities                                   | <input type="text"/>                     | <input type="text"/>                       |
| M. Non-investment grade corporate debt securities                               | <input type="text"/>                     | <input type="text"/>                       |
| N. Mortgage related securities  | <input type="text"/>                     | <input type="text"/>                       |
| O. Debt securities other than any securities included in Items 4J-4N above      | <input type="text"/>                     | <input type="text"/>                       |

5. A. List the types of equity securities reported in Item 4F above: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

B. List the types of debt reported in Item 4O above: \_\_\_\_\_

\_\_\_\_\_

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Alternative Trading System Name: \_\_\_\_\_ CRD Number \_\_\_\_\_

Period covered by this report: \_\_\_\_\_ to \_\_\_\_\_ SEC File Number:8-\_\_\_\_\_

6. Provide the total unit and dollar volume of transactions for after-hours trading in the following securities. Enter "None," "N/A" or "0" where appropriate.

| <i>Category of Securities</i>        | <i>Total Unit Volume of Transactions</i> | <i>Total Dollar Volume of Transactions</i> |
|--------------------------------------|--|--|
| A. Listed Equity Securities          | <input type="text"/>                     | <input type="text"/>                       |
| B. Nasdaq National Market Securities | <input type="text"/>                     | <input type="text"/>                       |
| C. Nasdaq SmallCap Market Securities | <input type="text"/>                     | <input type="text"/>                       |
| D. Listed options                    | <input type="text"/>                     | <input type="text"/>                       |

7. Attach as Exhibit C, a list of all persons granted, denied, or limited access to the alternative trading system during the period covered by this report, designating for each person (a) whether they were granted, denied, or limited access; (b) the date the alternative trading system took such action; (c) the effective date of such action; and (d) the nature of any denial on limitation of access.

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