



member FINRA, SIPC

TO: LIGHTSPEED TRADING CUSTOMERS/TRADERS

SUBJECT: PEGGED ORDERS MEMO

DATE: 4/18/2017

What are Pegged Orders?

A Primary Peg is a passive order that is intended to peg to the best participant on NBBO on same side of market. A Midpoint Peg is a hidden order that is pegged to the midpoint of the bid and offer. These orders will peg in half-penny increments in the event of an odd spread.

How do I get permission to send Pegged Orders from my Order Entry Window?

Ask your RM for permission to use these new order types.

How do I send a Pegged Order with my Order Entry Window?

Select Midpoint or Primary Peg. Select the Market of your choice:

Symbol	Shares	Limit Price	Market
GS	100	217.05	NSDQ
Type	Visible		
Midpoint Peg	100	0.00	
Buy	Inside Bid	Inside Ask	Sell
	215.61	215.68	

What venues does LST support Pegging on?

Users can currently create custom Routes to send Pegged Orders on NSDQ, ARCA, EDGX, EDGA, BATS, BATY and IEXG.

How do I send Pegged Orders with my Keyboard or Hotbutton?

We recommend creating a custom Route to send your Pegged order:

- 1) Select the Side
- 2) Enter the Market of your choice in the Market and Contra Field,
- 3) Select the Peg type from the Instructions
- 4) Select the Display (Most Midpoint Pegs are only Hidden)
- 5) Select the Price
- 6) Select the Quantity
- 7) Select whether the key will be a Pop-Up or Hot-Key
- 8) Select the Time in Force.

Below is an example of an EDGX Primary Peg Buy at Tier Size:

The screenshot shows the 'Custom Orders' configuration window in the Lightspeed trading software. The window title is '*ADMIN*' and the current tab is 'Custom Orders'. The route name is 'EDGXPRIMARYPEGBUY'. The configuration is as follows:

Side	Market	Instruction	Display	Order Size	Popup / Confirm
<input type="radio"/> Buy <input type="radio"/> Sell	EDGX	<input type="checkbox"/> Non-route <input type="checkbox"/> Add Only <input checked="" type="checkbox"/> Primary Peg <input type="checkbox"/> MidPoint Peg	<input type="radio"/> Visible <input checked="" type="radio"/> Hidden	With Position to Close <input type="radio"/> Closeout <input checked="" type="radio"/> Tiers <input type="radio"/> Quantity	<input type="radio"/> Yes <input checked="" type="radio"/> No TIF
	Contra	<input type="checkbox"/> On Open <input type="checkbox"/> On Close	Through 0	Without Position to Close <input checked="" type="radio"/> Tiers <input type="radio"/> Quantity	Day 08:00:00
	EDGX		Ask	1	

Buttons: Map Key Now, Done, OK, Cancel