Lightspeed trading
member FINRA, SIPC

TO: LIGHTSPEED TRADING CUSTOMERS

SUBJECT: NEW PSX AND BATS Y EXCHANGES

DATE: 11/10/2010

In October 2010 Nasdaq OMX launched its third exchange PSX [PHLX] and BATS launched its second exchange BYX [BATY]. These new exchanges offer the following unique features:

PSX

NASDAQ OMX PSX (PSX) is the only exchange to offer a price/size priority model for trading U.S. equities. In a price/size model, orders posted on the book are allocated shares based on the following hierarchical criteria:

1. Best Price

2. Displayed Liquidity

3. Pro Rata Distribution

The pro-rata model rewards market participants for committing capital and displaying large size. The more shares an order displays relative to the overall PSX market, the more shares it is allocated. This market structure encourages greater displayed size, which increases transparency, promotes market stability and enables additional trading strategies.
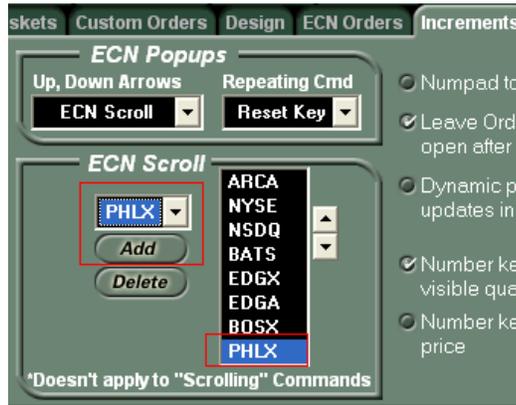
BATS Y

This new exchange will utilize the proven world-class BATS technology. It will allow BATS greater flexibility in pricing and innovation offering more choices to the industry in their continued effort to make markets better for market participants. BYX will use price-time priority with a differentiated fee schedule and even better access to high-performance routing.

Nasdaq PSX is displayed in Lightspeed Trader as PHLX and BATS Y exchange is displayed as BATY. Users will notice the top of book in the Level 2. Lightspeed Trader users can add and remove liquidity on these new exchanges.

To access these markets directly via your Supersmart Orders, no action is needed by the user. Supersmart will begin sending orders directly to them on its own when it is the best priced participant.

To bid or offer on BATY or PHLX you can do one of the following:

- Add either exchange to your ECN Scroll List, as seen below, and send orders like you would with any other Market Center.

- Create a BATY or PHLX custom key on the Custom Orders Tab: As seen below, I have created a Custom BATYBIDTIER, with BATY as the Market. Remember to create an Offer key as well if you choose this method.

Once the key has been created, map it to a key in the Keyboard Tab (seen below), or to a Hotbutton: Select Custom Commands on the right side and find the BATY or PHLX keys you created:

- Choose BATY or PHLX from the Order Entry Window Markets dropdown (seen below):

Things To Remember

- **Lightspeed does not offer the BYX or PSX direct quote or the depth of book at this time. The quotes come from the Nasdaq UQDF feed in Nasdaq stocks and the Consolidated Quote System in Listed Stocks.**

- **Pricing: To see the current market center costs and rebates associated with routing to these exchanges, please refer to the latest pricing schedule which can be found at the following URL: lightspeed.com/pricing**