

REGULATION NMS

In accordance with Regulation NMS on March 5, 2007, Bloomberg Tradebook will handle orders in the manner described below.

For terminal clients

- Tradebook's algorithms will consistently send out orders with the Intermarket Sweep (ISO) identifier.
- All ISO orders will be routed as IOC.
- A client can still direct an order to a particular venue and we will route it to that venue without the ISO qualifier.
- Orders entered by clients with either the BTFM Enabled for Bang = N or the BTPR setting Enable BANG = N will not be treated as ISO.
- Orders entered by clients with the BTPR Bang Style setting = S will not be treated as ISO. These orders will only route to the inside market until they fill or drop out, then to those at the next price level.

CCI Clients – Broker Dealers

- We will accept the standard FIX protocol for ISO (18=f).
- If a client sends us the participate don't initiate instruction (18=6), we will keep the order on our book and not route to any other venues. However, if we receive 18=6f, we will treat the order as an ISO.
- All incoming ISO orders will be treated as IOC and either be filled with available liquidity on our system, or rejected if that liquidity is no longer available.
- Incoming orders sent without the ISO qualifier will be handled by us as ISO, unless we receive an instruction to direct that order to another venue.
- If we receive the ISO instruction for a short sell order, but executing at the customer's limit price will violate the rule, we will try to execute at a better price that will not violate the rule. If there is no liquidity available, we will then cancel the order.
- If we receive the ISO instruction, but the limit price will lock/cross the market, we will execute the order with available liquidity. If liquidity within the customers limit is no longer available, we will reject the order.

CCI Clients – Non Broker Dealers

- We will REJECT orders with the ISO qualifier.
- Orders directed to a particular venue will be routed to that venue.

As always, Bloomberg Tradebook takes seriously its regulatory obligations and the order handling described above complies with all applicable rules including the Order Protection rule. Additionally, all algorithms and trading tools comply with the Reg NMS Order Protection Rule.

To contact us about self help, please email us at selfhelp@bloomberg.net