

## Take Charge of Compliance

Reg Recon is a real-time surveillance alert and report module that assists firms with compliance. Reg Recon provides real-time information for:

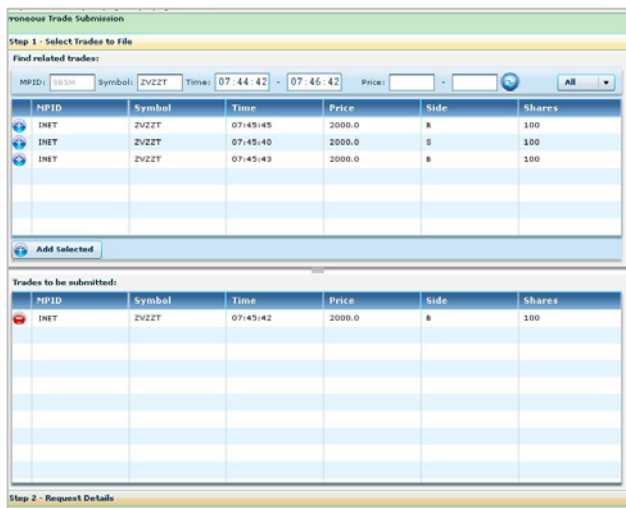
- λ Potential FINRA™/NASDAQ Trade Reporting Facility™ (TRF) trade-throughs
- λ Potentially erroneous trades that were executed on the NASDAQ Exchange
- λ Street-wide erroneous activity — view other potentially erroneous trades in the market under investigation by NASDAQ® MarketWatch
- λ Negotiation — Reg Recon also provides the ability to negotiate prices if you are the contra party on a trade being reviewed.

## Product Features – Clearly Erroneous Trade Viewer

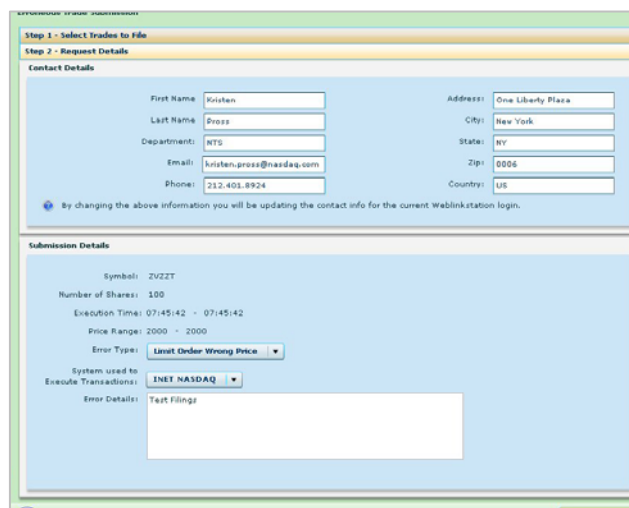
### Clearly Erroneous (CE) Alerts

Reg Recon alerts users of trades executed on the NASDAQ exchange that are potentially erroneous based on the NASDAQ MarketWatch filing criteria. Users then have the ability to automatically file those trades with MarketWatch.

Free form search functionality can also be used to file other trades that might be erroneous, regardless of whether or not an alert was triggered.



Filing Submission Window Step #1



Filing Submission Window Step #2

### NEW! Automated Erroneous Filing Status Viewer

Reg Recon now displays, in real-time, the status of filings that were accepted for review by NASDAQ MarketWatch. If a trade is “under review,” “ruled to stand” or “ruled to break”, the status will be indicated in the Reg Recon Clearly Erroneous Trade Viewer (CETV).

## Clearly Erroneous Trade Viewer

The interface displays trade data for ZVZT. The 'File Trades' table includes columns for Time, Symbol, Qty, NBBO, % Away from NBBO, Exec Price, Close, % Away PCL, and Side. The 'My Filed Trades' table includes columns for Submitted, Last Updated, Status, Symbol, Time, Qty, Exec Price, Adjustment Price, Side, Respond, and Remove.

Time	Symbol	Qty	NBBO	% Away from NBBO	Exec Price	Close	% Away PCL	Side
9:15:45	ZVZT	100	11x1007.5	0	11	9.85	11.6751	B
8:15:10	ZVZT	100	60x2000	0	60	49.89	20.2885	B
7:42:53	ZVZT	100	12x2000	0	12	9.44	27.1186	B

Submitted	Last Updated	Status	Symbol	Time	Qty	Exec Price	Adjustment Price	Side	Respond	Remove
15:41:51	15:41:51	Submitted	ZVZT	07:42:53	100	\$12.000		B		<input type="checkbox"/>
15:41:51	15:41:51	Submitted	ZVZT	07:42:53	100	\$12.000		S		<input type="checkbox"/>
15:39:14	15:39:14	Submitted	ZVZT	08:15:10	100	\$60.000		B		<input type="checkbox"/>
15:37:17	15:37:17	Submitted	ZVZT	08:15:45	100	\$11.000		B		<input type="checkbox"/>

### Anonymous Negotiation

If your firm is the filer or the contra party on a trade that has been filed, you will have the option to electronically and anonymously negotiate a price and/or decide to proceed to MarketWatch for ruling.

### Street-Wide Information

The Street-Wide Viewer shows information for all trades under investigation by MarketWatch. Use this information to help make filing decisions and/or to see if any of your transactions have been affected by an erroneous trade.

### Email Notification

Sign up to receive an email if your firm is the contra party on a trade that has been filed.

### NEW! Low Cost Viewer Access

NASDAQ now offers a low cost viewer for the Clearly Erroneous functionality of Reg Recon. Customers can now access the CETV via a web-based browser for the low cost of only **\$100 per user, per month.**

The dialog box is titled 'Contra Response Action' and contains the following text: '100 shares of ZVZT at \$12.000', 'Offer adjusted price of \$', followed by an input field. Below the input field are three buttons: 'Submit Adjustment Offer', 'Mutual Break', and 'Go To Ruling'.

Contra Negotiation Window

## Reg NMS Warnings and Reports

### Verify Compliance!

- λ Warnings for FINRA/NASDAQ TRF trades that are potential trade-throughs.
  - Alerts of potential trade-through violations across all NASDAQ protocols regardless of which system was used to enter the trades.
  - All warnings include Time and Sales data to show firms which quotes they potentially traded through.
- λ Time and Sales data for which quotes were potentially traded through.
- λ User Analysis Data for identifying:
  - The user/port that entered the trade(s) and how their entries compare to total potential trade-throughs for the firm.
  - Potential trade-throughs that were marked as ISO or with the Trade Through Exempt flag.
- λ Criteria filters:
  - Filter warnings by status, ISO/Non-ISO, Stock, portfolio, and more
- λ NASDAQ Self-Help declarations/revocations.
- λ Users can view or export up to five days of Warning History.
- λ Enhanced T+1 Reports
  - Reg Recon conducts continuous replay of the trading day that compares the FINRA/NASDAQ TRF trades against the SIP NBBOs, highlighting any adds/deletes that resulted from data or reporting latencies. The replay is displayed in the "Update" column.

### Reg NMS Window

The screenshot displays the Reg NMS Window interface. At the top, there are filters for 'Select MPID: INET' and 'Portfolio/Symbol: All'. Below this is a header bar for 'Reg NMS (Total:38 | New:0)' with various filter options like 'Select Date: Current', 'Time Frame', 'MM/Contra: All', 'ISO: All', and 'Exempt: All'. The main area contains a table with columns: Symbol, Side, Price, Qty, Quotes, TRS, Modifier, TT Exempt, MM, Contra, I112, Control #, and Time. Below the table is a 'Time' and 'Message' section with two entries regarding NASDAQ Self-Help declarations. At the bottom, there is a summary table with columns: I112, # of TRF, % of Total, # of ISO, and % of Total. The interface also includes 'XLS Report' and 'Print' buttons.

Symbol	Side	Price	Qty	Quotes	TRS	Modifier	TT Exempt	MM	Contra	I112	Control #	Time
PIN	S	\$14.4000	35153	3 sec T&S	M	@F	Y	INET	NSDQ	10CF	28090FACF1	15:39:30
PIN	S	\$14.4000	35153	3 sec T&S	U	@F	Y	INET	NSDQ	10CF	28090FACF1	15:39:30
OIH	S	\$114.2500	7300	3 sec T&S	T	@F	Y	INET	NSDQ	10DB	28010F3DC5	15:31:49
HTLD	B	\$14.4000	20000	3 sec T&S	R	@ P	Y	INET	NSDQ	3A41	2800137450	15:18:02
SPWRA	B	\$61.8000	4700	3 sec T&S	R	@ P	Y	INET	NSDQ	3A41	28081364DE	15:18:15
DOO	B	\$43.8800	43538	3 sec T&S	M	@F	Y	INET	NSDQ	10CF	280410C80E	14:38:58
DOO	B	\$43.8800	43538	3 sec T&S	U	@F	Y	INET	NSDQ	10CF	280410C80E	14:38:58
IWB	S	\$55.3402	4400	3 sec T&S	T	@4 B	Y	INET	NSDQ	10DB	28070CE6A1	14:50:01
DOO	B	\$43.8800	43538	3 sec T&S	H	@F	Y	INET	NSDQ	10CF	280410C80E	14:38:58

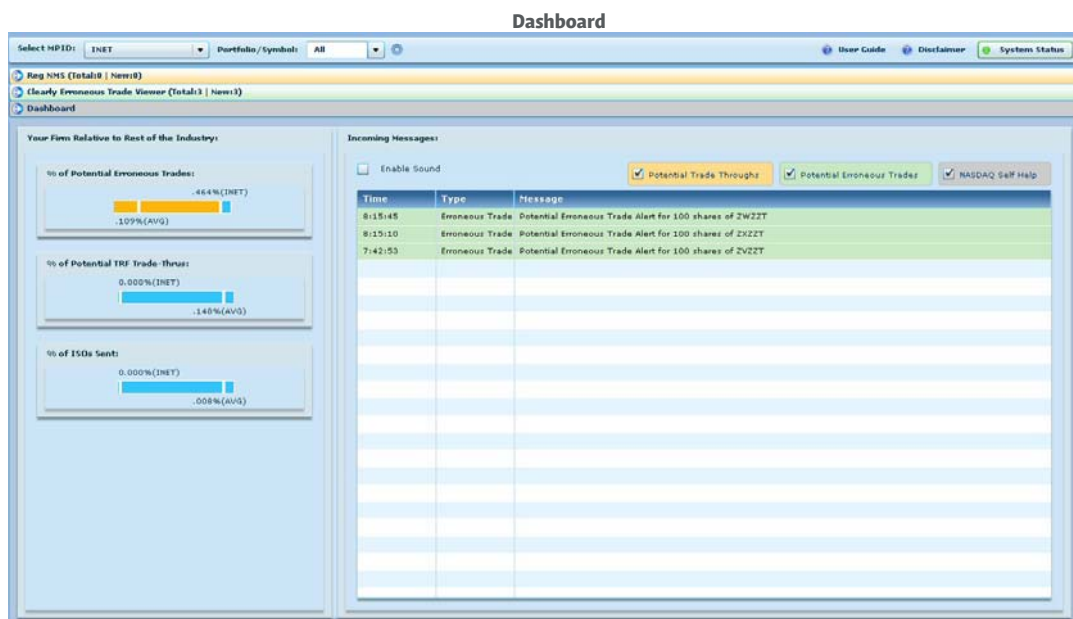
I112	# of TRF	% of Total	# of ISO	% of Total
0005	3	7%	0	0%
10CF	12	31%	6	35%
10DB	18	47%	11	64%
3A41	5	13%	0	0%

## Dashboard

The Dashboard provides customers with one comprehensive window to track both Reg NMS and Clearly Erroneous alerts. In addition, firms have the ability to see where their trades stand relative to the industry for:

- λ Potential FINRA/NASDAQ TRF trade-through violations
- λ Percentage of potential trade-throughs marked as ISOs
- λ Potential Clearly Erroneous Trades executed on the NASDAQ Exchange

Customize your dashboard by filtering the messages you want to view.



## Configurable Display

- λ Sort warnings by multiple criteria such as time, modifier, trade side, BBO at time of execution, status and quantity.
- λ Filter data to show different views: time of trade, trades with modifiers, trades marked as exempt, percentage away from previous NBBO and more.
- λ Customize the size of the columns.
- λ From one log-on, view data for multiple MPIDs within your firm.
- λ Export, download and print reports.

## How to Access Reg Recon

To access the Reg NMS portion of Reg Recon, customers must have a subscription to the **NASDAQ Workstation** or **WeblinkACT 2.0**.

Customers can access the Clearly Erroneous segment of Reg Recon via the NASDAQ Workstation, Weblink ACT 2.0 or a new, low-cost viewer. Contact Brian Kessler at +1 212 401 8953 or Kristen Pross at +1 212 401 8924 to find out which method is best for you.

To subscribe to Reg Recon, visit [nasdaqtrader.com/regrecon](http://nasdaqtrader.com/regrecon).

\*Notice of NASDAQ's declaration of Self Help is provided for informational purposes only and is not intended to relieve firms of their obligations to conduct independent self-help analysis and to adopt policies and procedures designed to achieve compliance with those obligations.