

Information Memo

New York Stock Exchange, Inc.
20 Broad Street
New York, NY 10005

Member Firm Regulation



Number 02-61
December 19, 2002

ATTENTION: CHIEF EXECUTIVE OFFICER, MANAGING PARTNERS,
COMPLIANCE AND LEGAL DEPARTMENTS

TO: ALL MEMBERS AND MEMBER ORGANIZATIONS

SUBJECT: EXCHANGE GUIDELINES ON GIFTS AND GRATUITIES

With the approaching holiday season, members and member organizations are reminded of the Exchange's policy relating to gifts and gratuities applicable to all Exchange employees.

The Guidelines prohibit most Exchange employees from accepting gifts and gratuities from members, allied members and member organizations. Limited exceptions are provided for Exchange Operations/Clerical Trading Floor employees, who may accept usual and customary gratuities, not in excess of \$50 per year, from a member, allied member or member organization. An exception is also provided for certain Exchange employees in service provider roles to the Trading Floor, such as coatroom and washroom attendants, who may accept usual and customary gratuities commensurate with the particular services provided.

Members and member organizations may note that Exchange Rule 350 is more permissive than the Exchange Guidelines. This memo is to advise that the Guidelines as described here, in part, reflect the most up-to-date position of the Exchange and must be adhered to by members and member organizations.

Members and member organizations should circulate this memo within their organizations since Exchange employees are required to return any gifts and gratuities as well as file a report with Exchange management.

Questions relating to the Guidelines for member and member organization employees on the Exchange Trading Floor may be directed to Harry Weber 212-656-5157. Questions relating to Guidelines for Exchange employees may be directed to Louise Quick at 212-656-5826 or Frank Z. Ashen at 212-656-2277.

Questions relating to Exchange Rule 350 ("Compensation or Gratuities to Employees of Others") may be directed to Thora Becker at 212-656-4808, Stephen A. Kasprzak at 212-656-5226 or William Jannace at 212-656-2744.

Salvatore Pallante
Executive Vice President