

Approved Person Application for Organizations

Membership Services
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New York, New York 10006-1881
(212) 306-1413

Application of _____

As an Approved Person of (Member Organization) _____

Article I, Section 3(g) The term “approved person” means a person who is not a regular, options principal, associate or allied member or an employee of a member organization who has become an approved person as provided in the rules of the Exchange and who is:

- (1) a person who controls a member or member organization
- (2) a person engaged in a securities or kindred business who is controlled by or under common control with a member or member organization. The terms “control”, “person” and “engaged in a securities or kindred business” as used herein shall be defined in the rules of the Exchange,
- (3) a person who is the owner of a membership held or to be held subject to a special transfer agreement, or
- (4) an individual who is either:
 - (i) the owner of a membership as to which a nominee has been designated, or
 - (ii) a person who controls a pension plan that is an approved person, and who meets such addition requirements as the Exchange may require.

Definition 13 For the purpose of the Constitution and these Rules, the term “control” means the power to direct or cause the direction of the management or policies of a person, whether through ownership of securities, by contract, or otherwise. A person shall be presumed to control another person if such person, directly or indirectly,

- (i) has the right to vote or cause to be voted 25% or more of the voting securities,
- (ii) is entitled to receive 25% or more of the net profits, or
- (iii) is a director (or person occupying a similar status or performing similar functions) of such person. Any person who does not come within one of the foregoing categories shall be presumed not to control such other person. Such presumption may be rebutted by evidence, but shall continue until a determination to the contrary has been made by the Exchange.

Definition 15 The term “person” shall mean a natural person, corporation, partnership, association, joint stock company, trust, fund or any organized group of persons whether incorporated or not.

Definition 16 The term “engaged in a securities or kindred business” shall mean transacting business generally as a broker or dealer in securities, including but not limited to, servicing customer accounts or introducing them to another person.

Article IV, Section 2(h) Whenever a party who is required to be approved by the Exchange as a member or approved person fails or ceases to be so approved, each member corporation shall promptly redeem or convert to a fixed income security such of its outstanding voting stock as may be necessary to reduce such party’s ownership of voting stock in the member corporation below that level which enables such party to exercise controlling influence over the management or policies of such member corporation.

Article IV, Section 2(j) Any person who comes within the definition of “approved person” as set forth in Article I of this Constitution shall upon approval by the Exchange become an approved person by filing such applications and executing such agreements with the Exchange as the Exchange may from time to time by rule prescribe.

Article V, Section 4(b) A member, member organization or approved person adjudged guilty in a proceeding under this Article of fraud or of fraudulent acts shall be deemed to be guilty of conduct or proceeding inconsistent with just and equitable principles of trade, and such member or member organization may be suspended or expelled from membership and the approval of such approved person may be withdrawn.

Article V, Section 4(e) Whenever it is adjudged in a proceeding under this Article that a member, member organization or approved person has made a misstatement, or has submitted a report or statement containing a misstatement upon a material point to the Board, to the Chairman or any other officer or representative of the Exchange, to any committee of the Exchange, or to the Board of Directors of The Options Clearing Corporation or whenever it is adjudged in a proceeding under this Article that a member, member organization or approved person has made a misstatement upon a material point to the Exchange on his or its application for membership or for approval, such member or member organization may be suspended or expelled from membership, and the approval of such approved person may be withdrawn.

Article V, Section 4(f) Whenever it is adjudged in a proceeding under this Article that a member prior to his application for membership or a member organization prior to its application for approval as a member organization or an approved person prior to his application for approval has been guilty of a fraudulent or dishonest act, and that the facts and circumstances thereof were not disclosed to the Exchange on the application of such member for membership or on the application of such member organization for approval or on the application of such approved person for approval, such member or member organization may be suspended or expelled from membership, and the approval of such approved person may be withdrawn.

Article V, Section 4(h) A member, member organization or approved person who or which shall be adjudged guilty in a proceeding under this Article of a violation of the Constitution of the Exchange, of a violation of a rule adopted pursuant to the Constitution, of a violation of a resolution of the Board regulating the conduct or business of members or member organizations, or of conduct or proceeding inconsistent with just and equitable principles of trade, may, if a member or member organization, be suspended or expelled from membership or, if an approved person have his approval withdrawn, unless the offense is the violation of a provision, rule or resolution for which a different penalty has been provided, in which case such other penalty may be imposed.

Article V, Section 4(k) If a member, member organization or approved person is required by the Board, by the Chairman or by any committee authorized by the Board or by the Constitution, to submit his or its books, papers and records or the books, papers and records of his or its employees or the books, papers and records of any member associated with or approved person of such member organization, or to furnish any information to, or to appear and testify before, or to cause any of such persons to appear and testify before, the Board, the Chairman, any such committee, or such officers, employees or representatives of the Exchange as may be designated by the Chairman or such committee, and such member, member organization or approved person shall be adjudged guilty in a proceeding under this Article for having refused or failed to comply with such requirement, such member or member organization may be suspended or expelled from membership, and such approved person may have his approval withdrawn.

Rule 310(d) Any person who is not a member or allied member or an employee of a member or an employee of a member organization and who controls a member or member organization, or who engages in a securities or kindred business and is controlled by or under common control with a member or member organization, or who is the owner of a membership held or to be held subject to a special transfer agreement, or who is an individual who is either (i) the owner of a membership as to which a nominee has been designated, or (ii) a person who controls a pension plan which is an approved person, and who meets such additional requirements as the Exchange may require shall apply for approval by the Exchange as an approved person by furnishing the Exchange with such information with respect to such applicant, its history and business, its stockholders, officers, partners, trustees and directors, any person controlling such applicant, and such other information as the Exchange may require. Each applicant shall agree:

- (1) to supply the Exchange with information with respect to such applicant’s relationship and dealings with the member, member organization or membership owner with which it is associated as the Exchange may reasonably require to ascertain whether the applicant is in compliance with applicable provisions of Federal Securities Laws, the rules and regulations thereunder, and the rules of the Exchange; and

- (2) to supply the Exchange with information relating to the existence of any statutory disqualification to which the applicant or any person associated with the applicant may be subject, as defined in the Securities Exchange Act of 1934; and
- (3) to abide by such provisions of the Constitution and Rules of the Exchange relating to approved persons as shall from time to time be in effect; and
- (4) to permit examinations by the Exchange, or any person designated by it, at any time or from time to time, of its books and records to verify the accuracy of the information required to be supplied herein and by the rules of the Exchange.

Rule 311(b) Each member and approved person of a member corporation shall promptly notify his member corporation of any material acquisition or disposition of shares of stock of such corporation.

Rule 312(c)(1) The certificate of incorporation of each member corporation shall contain provisions authorizing the corporation to redeem or convert to a fixed income security all or any part of the outstanding shares of voting stock of such member corporation owned by any person required to be approved by the Exchange as a member or approved person who fails or ceases to be so approved as may be necessary to reduce such party's ownership of voting stock in the member corporation below that level which enables each party to exercise controlling influence over the management or policies of such member corporation.

Rule 312(j) Each member corporation and each member and approved person of the corporation shall agree with the Exchange that if any person required to be approved by the Exchange as a member or approved person fails or ceases to be so approved, the corporation may be deprived by the Exchange of all the privileges of a member corporation unless the corporation redeems or converts the stock held by such person as required by Section 2(h) of Article IV of the Constitution.

Rule 342(e) Except as otherwise permitted by the Exchange, no member, member organization, allied member, approved person, employee, or any person directly or indirectly controlling, controlled by or under common control with a member or member organization shall have associated with him or it any person who is known, or in the exercise of reasonable care should be known, to be subject to any "statutory disqualification" defined in Section 3(a)(39) of the Securities Exchange Act of 1934.

Instructions

1. File with the Membership Services Department.
2. Answer all questions; state "Not Applicable" if appropriate.
3. Answer questions fully, attaching separate signed sheets or letter of explanation if necessary.
4. A copy of this form and all supplementary statements must be retained by the applicant organization ("Applicant") and the member organization.

The following is a true, complete and accurate statement of the business history of this Applicant.

(1) Full name of the Applicant _____

(2) Address of principal place of business (complete address of actual location)

(3) Place of incorporation/ organization

(4) Date of incorporation/ formation of partnership

(5) Indicate whether the shares of the corporation are publicly or privately held, if applicable.

(6) If the name of the Applicant has been amended, state prior names.

(7) (a) If the Applicant is a corporation, please indicate below the name(s) of those individuals who are principal executive officers, directors or controlling stockholders.

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) If the Applicant is a partnership, please indicate below the name(s) of all general partners. Also, indicate below the name(s) of all limited partners who have the right to receive 25% or more of the net profits of the partnership.

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(c) If the Applicant is a pension plan, please indicate the name(s) of the sponsor and trustee of the pension plan.

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(d) If the Applicant is a Limited Liability Company, please indicate the name(s) of all LLC managing members. Also indicate below the names of all LLC members who have the right to receive 25% or more of the net profits of the LLC.

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

The Amex reserves the right to request applications for any individuals listed in (7)(a) through (7)(d).

(8) Are the above individuals associated with any organization (other than the applicant) involved in the securities business? If so, state each person's name, the organizations name, as well as their affiliation with this organization.

(9) (a) The Applicant (will) (does) own _____ shares of voting stock representing _____% of the outstanding voting stock of the member corporation.

(b) The member organization (will) (does) own _____ shares of voting stock representing _____ % of the outstanding voting stock of the Applicant.

(10) (a) The Applicant (will) (does) share in _____% of profits and _____% of losses of the member organization. The Applicant (will) (will not) make a capital contribution to the member organization of \$ _____ in _____ at _____% interest.

(b) The member organization (will) (does) share in _____% of profits and _____% of losses of the Applicant. The member firm (will) (will not) make a capital contribution to the Applicant in _____ at _____% interest.

(11) In connection with the proposed capital arrangement with the member organization as stated above, no funds will be borrowed by the Applicant nor has it given nor will it give any note, other obligation or acknowledgments in connection therewith (except as follows):

- (12) The Applicant (will) (will not) make a subordinated loan to the member organization in the form of:
- (a) Cash subordination \$ _____
- (b) Secured Demand Note \$ _____
- (c) Debenture \$ _____

(13) (a) Has the applicant been the subject of any disciplinary of legal action, suspended or expelled by an exchange, national securities association or regulatory body?

(b) Has the Applicant ever been enjoined or are they presently a party to a suit for injunctive relief?

(c) Has the Applicant ever been or are they presently a defendant in a suit at law in which damages are claimed?

(d) If the Applicant answers "yes" to any of the above, please attach details.

IT IS RECOGNIZED THAT THE STATEMENTS HEREIN AND IN EVERY SUPPLEMENTARY SHEET ATTACHED HERETO WILL BE VERIFIED BY INVESTIGATION, AND THE ORGANIZATION DECLARES THAT SUCH STATEMENTS ARE TRUE, COMPLETE AND ACCURATE. IT IS ALSO RECOGNIZED THAT THE EXCHANGE RESERVES THE RIGHT TO REQUEST ADDITIONAL INFORMATION ON ANY MATTER REFERRED TO ABOVE OR ANY OTHER MATTER.

The Applicant agrees that (1) if any share of stock of the member organization which is not a freely transferable security should at any time be acquired, held or owned by a person not approved by the Exchange, except the estate of a deceased stockholder for such period as may be allowed by the Exchange, or (2) if any person required to be approved by the Exchange as an approved person fails or ceases to be so approved, or (3) if any approved person should violate his agreement with the Exchange, the member organization may be deprived by the Exchange of all the privileges of a member organization.

The Applicant agrees to comply with the provisions of the Constitution and the Rules of the Board of Governors relating to approved persons as shall from time to time be in effect. The Applicant agrees promptly to notify the Exchange, so long as it remains an approved person, of any acquisition or disposition by it of any security of such member organization.

The Applicant agrees that the approval of this application by the American Stock Exchange may be withdrawn if, in the opinion of the Exchange the Applicant has:

- (1) violated any provision of the Constitution or of any rule adopted by the Board of Governors applicable to it as the same may be from time to time in effect;
- (2) violated any of its agreements with the Exchange;
- (3) made any misstatements to the Exchange; or
- (4) been guilty of (i) conduct inconsistent with just and equitable principles of trade, or (ii) acts detrimental to the interest or welfare of the Exchange.

The Applicant hereby certifies that the _____ (corporation/ partnership/ Limited Liability Company) is authorized to file this approved person application with the Exchange.

As long as the Applicant remains as an approved person of the member organization, the Applicant further agrees to notify that member organization of which it is an approved person of any changes in the information contained herein.

Date: _____ Name of Applicant: _____

By: _____

Print Name: _____

Title: _____

I HEREBY CERTIFY that I am the _____ of the said Applicant, and that I have full authority to make the foregoing application in its name and behalf.

IN WITNESS WHEREOF, the undersigned as _____ of the said Applicant has executed this application this _____ day of _____, 20_____.

_____(L.S.)

STATE OF _____

ss.:

COUNTY OF _____

On this _____ day of _____, 20_____, before me personally appeared

_____ to me known and known to me to be the individual described in, and who executed the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose named.

In Testimony Whereof, I have hereunto subscribed my name, and affixed my seal of office; the day and year last above written.

Notary Public

NOTE: If executed outside of the State of New York, attach County Clerk's Certificate as to the appointment of the Notary Public.