

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="32"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2015"/> - * <input type="text" value="42"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by EDGX Exchange, Inc.  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

EDGX Exchange, Inc. proposes to amend Rule 11.15, Clearly Erroneous Executions.

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * <input type="text" value="Chris"/>	Last Name * <input type="text" value="Solgan"/>
Title * <input type="text" value="Assistant General Counsel"/>	
E-mail * <input type="text" value="csolgan@bats.com"/>	
Telephone * <input type="text" value="(646) 856-8723"/>	Fax <input type="text"/>

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date <input type="text" value="09/21/2015"/>	<input type="text" value="Assistant General Counsel"/>
By <input type="text" value="Chris Solgan"/>	<input type="text" value=""/>
(Name *)	

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> EDGX Exchange, Inc. (the “Exchange” or “EDGX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to restructure and amend Rule 11.15, Clearly Erroneous Executions, in order to conform to the rules of BATS Exchange, Inc. (“BZX”) and BATS Y-Exchange, Inc. (“BYX”).<sup>3</sup> The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.<sup>4</sup>

(a) The text of the proposed rule change is attached as Exhibit 5. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. Exchange staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action is necessary for the filing of

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See BYX and BZX Rule 11.17.

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

the rule change.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Eric Swanson  
EVP, General Counsel  
(913) 815-7000

Chris Solgan  
Assistant General Counsel  
(646) 856-8723

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

In early 2014, the Exchange and its affiliate, EDGA Exchange, Inc. ("EDGA") received approval to effect a merger (the "Merger") of the Exchange's parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BZX and the BATS Y-Exchange, Inc. ("BYX", together with BZX, EDGA and EDGX, the "BGM Affiliated Exchanges").<sup>5</sup> In the context of the Merger, the BGM Affiliated Exchanges are working to align their rules, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the Exchange proposes to restructure and amend Rule 11.15, Clearly Erroneous Executions, in order to conform to the corresponding rules of BYX and BZX and provide a consistent rule set across each of the BGM Affiliated Exchanges.<sup>6</sup>

Background

On September 10, 2010, the Commission approved, on a pilot basis, changes to

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<sup>5</sup> See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-43; SR-EDGA-2013-34).

<sup>6</sup> The Exchange notes that EDGA intends to file an identical proposal with the Commission to restructure and amend its Rule 11.15, Clearly Erroneous Executions, to conform to BYX and BZX Rules 11.17.

Exchange Rule 11.15 to provide for uniform treatment: (1) of clearly erroneous<sup>7</sup> execution reviews in multi-stock events involving twenty or more securities; and (2) in the event transactions occur that result in the issuance of an individual stock trading pause by the primary listing market and subsequent transactions that occur before the trading pause is in effect on the Exchange.<sup>8</sup> The Exchange also adopted additional changes to Rule 11.15 that reduced the ability of the Exchange to deviate from the objective standards set forth in Rule 11.15,<sup>9</sup> and in 2013, adopted a provision designed to address the operation of the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the “Limit Up-Limit Down Plan” or the “Plan”).<sup>10</sup> In 2014, the Exchange adopted two additional provisions providing that: (i) a series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the “Multi-Day Event”); and (ii) in the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of an Exchange, another SRO, or responsible single plan processor in

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<sup>7</sup> The terms of a transaction executed on the Exchange are “clearly erroneous” when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by the Exchange to be clearly erroneous will be removed from the Consolidated Tape. See Exchange Rule 11.15(a).

<sup>8</sup> Securities Exchange Act Release No. 62886 (Sept. 10, 2010), 75 FR 56613 (Sept. 16, 2010) (SR-EDGX-2010-03).

<sup>9</sup> Id.

<sup>10</sup> See Securities Exchange Act Release No. 68814 (Feb. 1, 2013), 78 FR 9086 (Feb. 7, 2013) (SR-EDGX-2013-06); see also Exchange Rule 11.15(i).

connection with the transmittal or receipt of a trading halt, an Officer, acting on his or her own motion, shall nullify any transaction that occurs after a trading halt has been declared by the primary listing market for a security and before such trading halt has officially ended according to the primary listing market.<sup>11</sup>

The Exchange proposes the below changes to conform Rule 11.15 to BYX and BZX Rules 11.17. None of these changes are designed to amend the Exchange's current review process for clearly erroneous executions. Rather, they are proposed in order to implement identical rules with regard to clearly erroneous executions across each of the BGM Affiliated Exchanges.<sup>12</sup> The proposed changes to Rule 11.15 are as follows:

- Amend the last sentence of the introductory paragraph to include the word “replaced”.
- Replace references to “Officer” with “Official” in paragraphs (b), (b)(1), (c)(3), (d), (e)(1), (e)(2), (e)(2)(D), and (e)(2)(F).
- Replace the term “Regular Market Session” with “Regular Trading Hours” in paragraphs (c)(1), (e)(1), and (g).
- Amend paragraph (b)(1) to: (i) clarify that requests for review must be received by the Exchange within thirty (30) minutes of the execution time; (ii) replace the word “Section” with “paragraph” and encase “30” in

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<sup>11</sup> See Securities Exchange Act Release No. 72434 (June 19, 2014), 79 FR 36110 (June 25, 2014) (SR-EDGX-2014-12).

<sup>12</sup> The Exchange notes that BYX and BZX are to file rule changes with the Commission to propose a series of changes to their Rules 11.17, Clearly Erroneous Executions, to conform with other provisions of EDGA and EDGX Rule 11.15 to ensure each of the BGM Affiliated Exchange have identical rule text with regard to the review and handling of clearly erroneous executions.

parentheses as well as insert the word “thirty” immediately before “(30)” in the second sentence; (iii) specify in the fourth sentence that if requested, each party shall provide any supporting written information as may be reasonably requested by the Official to aid resolution of the matter and remove the phrase “any supporting written information.”

- Amend paragraph (b)(2) to encase both “30” and “60” in parentheses as well as insert the word “thirty” immediately before “(30)” and the word “sixty” immediately before “(60)”.
- Amend paragraph (c)(1) to: (i) delete the word “the” before the word “Regular” and add the word “during” before the phrase “the Pre-Opening and . . . “ in the first sentence; (ii) remove the “s” from the word “occur” within the parenthetical in the third sentence; and (iii) insert the word “paragraph” before “(c)(2)” in the fourth sentence.
- Amend the first sentence of paragraph (c)(3) to: (i) remove the “s” from the word “system”; (ii) replace “IPO” with the term “initial public offering”; and (iii) remove “s” from the word “tape”.
- Amend paragraph (d) to: (i) replace the term “at its” with “in his or her”; (ii) replace the word “subsection” with “paragraph”; and (ii) encase both “30” and “60” in parentheses as well as insert the word “thirty” immediately before “(30)”.
- Reformat and renumber paragraph (d)(1)(A) as (d)(1) and (d)(1)(B) as (d)(2).
- Amend renumbered and reformatted paragraph (d)(1) to: (i) not capitalize

the word “Paragraph”; (ii) replace the word “Section” with “Rule”; and (iii) delete “, or”.

- Amend renumbered and reformatted paragraph (d)(2) to: (i) not capitalize the word “Paragraph”; (ii) replace the words “the Section” with “this Rule”; and (iii) replace “11.15” with the word “paragraph” before the reference to (c)(3).
- Amend paragraph (e)(1) to encase “30” in parentheses as well as insert the word “thirty” immediately before “(30)” in the third sentence.
- Amend paragraph (e)(2)(B) to rephrase the term “ten (10) Member representatives” with “ten (10) representatives of Members”.
- Renumber paragraph (e)(3) as (e)(2)(C) and amend the paragraph to: (i) specify that a request for review on appeal must be made, not only via email, but also in writing or other electronic means specified from time to time by the Exchange in a circular distributed to Members; and (ii) replace “3:00 ET” with “3:00 p.m. Eastern Time” in the third sentence.
- Renumber paragraph (e)(4) as (e)(2)(D).
- Renumber paragraph (e)(5) as (e)(2)(E) and: (i) replace reference to “Rule 11.15(e)(1)” with “paragraph (e)(1) above”; and (ii) add a sentence stating that in instances where the Exchange, on behalf of a Member, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Member.
- Renumber paragraph (e)(6) as (e)(2)(F).

- Within paragraph (f), amend: (i) the first sentence to replace the word “the” with “an” before the “Officer” and delete the word “such” before “other senior level employee designee”; (ii) the second sentence to remove the “s” from the “paragraphs” before reference to paragraph (c)(1) – (3); (iii) the third sentence to delete the word “such” before “other senior level employee designee”; (iv) amend the fourth sentence to delete the term “such other ” before “senior level employee designee”, replace the term “Regular Session Trading” with “Regular Trading Hours”, and add the word “trading” before “day”; and (v) amend the last sentence to clarify that notice shall be provided by the Exchange, replace the word “Member” with “party”, remove the “s” from the “paragraphs” and delete reference to paragraph (e)(3) and (4) as those paragraph are now included in (e)(2).
- Amend paragraph (g) to: (i) retitle it as “Officer Acting On Own Motion”; (ii) delete the term “such other ” before “senior level employee designee” and replace the term “its” with “his or her” in the first sentence; (iii) delete the word “such” before “other senior level employee designee” in the fourth sentence; and (iv) remove the “s” from the “paragraphs” and delete reference to paragraph (e)(3) and (4) as those paragraphs are now included in (e)(2) in the last sentence.
- Within paragraph (h), amend: (i) the first sentence to replace the term “initial public offering” with “IPO”; (ii) the third and fourth sentences to delete the word “such” before “other senior level employee designee”; (iii) the sixth sentence to delete the word “such” before “other senior level

employee designee”, replace the term “Regular Session Trading” with “Regular Trading Hours”, and add the word “trading” before “day”; and (v) amend the last sentence to replace the term “subsection” with “paragraph” and delete reference to paragraphs (e)(3) and (4) as those paragraphs are now included in (e)(2).

- Amend the last sentence in paragraphs (j) and (k) to delete reference to paragraphs (e)(3) and (4) as those paragraphs are now included in (e)(2).

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>13</sup> Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,<sup>14</sup> because it is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest. None of these changes are designed to amend the Exchange’s current review process for clearly erroneous executions. Rather, as mentioned above, the proposed rule changes, combined with the planned filing for the BYX, BZX, and EDGA, would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to clearly erroneous executions. Consistent rules, in turn, will simplify the regulatory requirements for Members of the Exchange that are also participants on EDGA, BYZ and/or BZX. The proposed rule

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<sup>13</sup> 15 U.S.C. 78f(b).

<sup>14</sup> 15 U.S.C. 78f(b)(5).

change would provide greater harmonization between rules of similar purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance and understanding of Exchange Rules. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system. Similarly, the Exchange also believes that, by harmonizing the rules across each BGM Affiliated Exchange, the proposal will enhance the Exchange's ability to fairly and efficiently regulate its Members, meaning that the proposed rule change is equitable and will promote fairness in the market place. Finally, the Exchange believes that the non-substantive changes discussed above will contribute to the protection of investors and the public interest by helping to avoid confusion with respect to Exchange Rules.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, allowing the Exchange to implement substantively identical rules across each of the BGM Affiliated Exchanges regarding clearly erroneous executions does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, BZX, BYX, and EDGA rules of similar purpose. The proposed rule change should, therefore, result in less burdensome and more efficient regulatory compliance as well as a better understanding of Exchange Rules for common members of the BGM Affiliated Exchanges.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Not applicable.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>15</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>16</sup> The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing.<sup>17</sup>

As described above, the Exchange notes that the proposed change is directly based on the rules of BYX and BZX.<sup>18</sup> Based on the foregoing, the proposed rule change does not present any unique issues not previously considered by the Commission, and the Exchange has accordingly designated this rule filing as non-controversial under Section

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<sup>15</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>16</sup> 17 C.F.R. 240.19b-4.

<sup>17</sup> 17 C.F.R. 240.19b-4(f)(6)(iii).

<sup>18</sup> See supra note 3.

19(b)(3)(A) of the Act<sup>19</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>20</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule text is based on BYX and BZX Rules 11.17.

9. Security Based- Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

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<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 C.F.R. 240.19b-4.

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-EDGX-2015-42)

## Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 11.15, Clearly Erroneous Executions

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on \_\_\_\_\_, EDGX Exchange, Inc. (the “Exchange” or “EDGX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange filed a proposal to amend Rule 11.15, Clearly Erroneous Executions, in order to conform to the rules of BATS Exchange, Inc. (“BZX”) and BATS Y-Exchange, Inc. (“BYX”).<sup>5</sup>

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>5</sup> See BYX and BZX Rule 11.17.

The text of the proposed rule change is available at the Exchange's website at [www.batstrading.com](http://www.batstrading.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

In early 2014, the Exchange and its affiliate, EDGA Exchange, Inc. ("EDGA") received approval to effect a merger (the "Merger") of the Exchange's parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BZX and the BATS Y-Exchange, Inc. ("BYX", together with BZX, EDGA and EDGX, the "BGM Affiliated Exchanges").<sup>6</sup> In the context of the Merger, the BGM Affiliated Exchanges are working to align their rules, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the Exchange proposes to restructure and amend Rule 11.15, Clearly Erroneous Executions, in order to conform to the corresponding rules of BYX

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<sup>6</sup> See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-43; SR-EDGA-2013-34).

and BZX and provide a consistent rule set across each of the BGM Affiliated Exchanges.<sup>7</sup>

### Background

On September 10, 2010, the Commission approved, on a pilot basis, changes to Exchange Rule 11.15 to provide for uniform treatment: (1) of clearly erroneous<sup>8</sup> execution reviews in multi-stock events involving twenty or more securities; and (2) in the event transactions occur that result in the issuance of an individual stock trading pause by the primary listing market and subsequent transactions that occur before the trading pause is in effect on the Exchange.<sup>9</sup> The Exchange also adopted additional changes to Rule 11.15 that reduced the ability of the Exchange to deviate from the objective standards set forth in Rule 11.15,<sup>10</sup> and in 2013, adopted a provision designed to address the operation of the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the “Limit Up-Limit Down Plan” or the “Plan”).<sup>11</sup> In 2014, the Exchange adopted two additional provisions providing that: (i) a

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<sup>7</sup> The Exchange notes that EDGA intends to file an identical proposal with the Commission to restructure and amend its Rule 11.15, Clearly Erroneous Executions, to conform to BYX and BZX Rules 11.17.

<sup>8</sup> The terms of a transaction executed on the Exchange are “clearly erroneous” when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by the Exchange to be clearly erroneous will be removed from the Consolidated Tape. See Exchange Rule 11.15(a).

<sup>9</sup> Securities Exchange Act Release No. 62886 (Sept. 10, 2010), 75 FR 56613 (Sept. 16, 2010) (SR-EDGX-2010-03).

<sup>10</sup> Id.

<sup>11</sup> See Securities Exchange Act Release No. 68814 (Feb. 1, 2013), 78 FR 9086 (Feb. 7, 2013) (SR-EDGX-2013-06); see also Exchange Rule 11.15(i).

series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the “Multi-Day Event”); and (ii) in the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of an Exchange, another SRO, or responsible single plan processor in connection with the transmittal or receipt of a trading halt, an Officer, acting on his or her own motion, shall nullify any transaction that occurs after a trading halt has been declared by the primary listing market for a security and before such trading halt has officially ended according to the primary listing market.<sup>12</sup>

The Exchange proposes the below changes to conform Rule 11.15 to BYX and BZX Rules 11.17. None of these changes are designed to amend the Exchange’s current review process for clearly erroneous executions. Rather, they are proposed in order to implement identical rules with regard to clearly erroneous executions across each of the BGM Affiliated Exchanges.<sup>13</sup> The proposed changes to Rule 11.15 are as follows:

- Amend the last sentence of the introductory paragraph to include the word “replaced”.
- Replace references to “Officer” with “Official” in paragraphs (b), (b)(1),

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<sup>12</sup> See Securities Exchange Act Release No. 72434 (June 19, 2014), 79 FR 36110 (June 25, 2014) (SR-EDGX-2014-12).

<sup>13</sup> The Exchange notes that BYX and BZX are to file rule changes with the Commission to propose a series of changes to their Rules 11.17, Clearly Erroneous Executions, to conform with other provisions of EDGA and EDGX Rule 11.15 to ensure each of the BGM Affiliated Exchange have identical rule text with regard to the review and handling of clearly erroneous executions.

(c)(3), (d), (e)(1), (e)(2), (e)(2)(D), and (e)(2)(F).

- Replace the term “Regular Market Session” with “Regular Trading Hours” in paragraphs (c)(1), (e)(1), and (g).
- Amend paragraph (b)(1) to: (i) clarify that requests for review must be received by the Exchange within thirty (30) minutes of the execution time; (ii) replace the word “Section” with “paragraph” and encase “30” in parentheses as well as insert the word “thirty” immediately before “(30)” in the second sentence; (iii) specify in the fourth sentence that if requested, each party shall provide any supporting written information as may be reasonably requested by the Official to aid resolution of the matter and remove the phrase “any supporting written information.”
- Amend paragraph (b)(2) to encase both “30” and “60” in parentheses as well as insert the word “thirty” immediately before “(30)” and the word “sixty” immediately before “(60)”.
- Amend paragraph (c)(1) to: (i) delete the word “the” before the word “Regular” and add the word “during” before the phrase “the Pre-Opening and . . .” in the first sentence; (ii) remove the “s” from the word “occur” within the parenthetical in the third sentence; and (iii) insert the word “paragraph” before “(c)(2)” in the fourth sentence.
- Amend the first sentence of paragraph (c)(3) to: (i) remove the “s” from the word “system”; (ii) replace “IPO” with the term “initial public offering”; and (iii) remove “s” from the word “tape”.
- Amend paragraph (d) to: (i) replace the term “at its” with “in his or her”;

(ii) replace the word “subsection” with “paragraph”; and (ii) encase both “30” and “60” in parentheses as well as insert the word “thirty” immediately before “(30)”.

- Reformat and renumber paragraph (d)(1)(A) as (d)(1) and (d)(1)(B) as (d)(2).
- Amend renumbered and reformatted paragraph (d)(1) to: (i) not capitalize the word “Paragraph”; (ii) replace the word “Section” with “Rule”; and (iii) delete “, or”.
- Amend renumbered and reformatted paragraph (d)(2) to: (i) not capitalize the word “Paragraph”; (ii) replace the words “the Section” with “this Rule”; and (iii) replace “11.15” with the word “paragraph” before the reference to (c)(3).
- Amend paragraph (e)(1) to encase “30” in parentheses as well as insert the word “thirty” immediately before “(30)” in the third sentence.
- Amend paragraph (e)(2)(B) to rephrase the term “ten (10) Member representatives” with “ten (10) representatives of Members”.
- Renumber paragraph (e)(3) as (e)(2)(C) and amend the paragraph to: (i) specify that a request for review on appeal must be made, not only via email, but also in writing or other electronic means specified from time to time by the Exchange in a circular distributed to Members; and (ii) replace “3:00 ET” with “3:00 p.m. Eastern Time” in the third sentence.
- Renumber paragraph (e)(4) as (e)(2)(D).
- Renumber paragraph (e)(5) as (e)(2)(E) and: (i) replace reference to “Rule

11.15(e)(1)” with “paragraph (e)(1) above”; and (ii) add a sentence stating that in instances where the Exchange, on behalf of a Member, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Member.

- Renumber paragraph (e)(6) as (e)(2)(F).
- Within paragraph (f), amend: (i) the first sentence to replace the word “the” with “an” before the “Officer” and delete the word “such” before “other senior level employee designee”; (ii) the second sentence to remove the “s” from the “paragraphs” before reference to paragraph (c)(1) – (3); (iii) the third sentence to delete the word “such” before “other senior level employee designee”; (iv) amend the fourth sentence to delete the term “such other ” before “senior level employee designee”, replace the term “Regular Session Trading” with “Regular Trading Hours”, and add the word “trading” before “day”; and (v) amend the last sentence to clarify that notice shall be provided by the Exchange, replace the word “Member” with “party”, remove the “s” from the “paragraphs” and delete reference to paragraph (e)(3) and (4) as those paragraph are now included in (e)(2).
- Amend paragraph (g) to: (i) retitle it as “Officer Acting On Own Motion”; (ii) delete the term “such other ” before “senior level employee designee” and replace the term “its” with “his or her” in the first sentence; (iii) delete the word “such” before “other senior level employee designee” in the fourth sentence; and (iv) remove the “s” from the “paragraphs” and delete

reference to paragraph (e)(3) and (4) as those paragraphs are now included in (e)(2) in the last sentence.

- Within paragraph (h), amend: (i) the first sentence to replace the term “initial public offering” with “IPO”; (ii) the third and fourth sentences to delete the word “such” before “other senior level employee designee”; (iii) the sixth sentence to delete the word “such” before “other senior level employee designee”, replace the term “Regular Session Trading” with “Regular Trading Hours”, and add the word “trading” before “day”; and (v) amend the last sentence to replace the term “subsection” with “paragraph” and delete reference to paragraphs (e)(3) and (4) as those paragraphs are now included in (e)(2).
- Amend the last sentence in paragraphs (j) and (k) to delete reference to paragraphs (e)(3) and (4) as those paragraphs are now included in (e)(2).

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>14</sup> Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,<sup>15</sup> because it is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national

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<sup>14</sup> 15 U.S.C. 78f(b).

<sup>15</sup> 15 U.S.C. 78f(b)(5).

market system, and, in general, to protect investors and the public interest. None of these changes are designed to amend the Exchange's current review process for clearly erroneous executions. Rather, as mentioned above, the proposed rule changes, combined with the planned filing for the BYX, BZX, and EDGA, would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to clearly erroneous executions. Consistent rules, in turn, will simplify the regulatory requirements for Members of the Exchange that are also participants on EDGA, BYZ and/or BZX. The proposed rule change would provide greater harmonization between rules of similar purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance and understanding of Exchange Rules. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system. Similarly, the Exchange also believes that, by harmonizing the rules across each BGM Affiliated Exchange, the proposal will enhance the Exchange's ability to fairly and efficiently regulate its Members, meaning that the proposed rule change is equitable and will promote fairness in the market place. Finally, the Exchange believes that the non-substantive changes discussed above will contribute to the protection of investors and the public interest by helping to avoid confusion with respect to Exchange Rules.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, allowing the Exchange to implement substantively identical rules

across each of the BGM Affiliated Exchanges regarding clearly erroneous executions does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, BZX, BYX, and EDGA rules of similar purpose. The proposed rule change should, therefore, result in less burdensome and more efficient regulatory compliance as well as a better understanding of Exchange Rules for common members of the BGM Affiliated Exchanges.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>16</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>17</sup> The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least

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<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>17</sup> 17 C.F.R. 240.19b-4.

five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act.

Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-EDGX-2015-42 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-EDGX-2015-42. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-EDGX-2015-42 and should be submitted on or before [\_\_\_\_\_21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

Robert W. Errett  
Deputy Secretary

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<sup>18</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5

Proposed new language is underlined; proposed deletions are in [brackets].

## CHAPTER XI. TRADING RULES

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## Rule 11.15. Clearly Erroneous Executions

The provisions of paragraphs (c), (e)(2), (f), and (g) of this Rule, as amended on September 10, 2010, and the provisions of paragraphs (i) through (k), shall be in effect during a pilot period to coincide with the pilot period for the Limit Up-Limit Down Plan, including any extensions to the pilot period for the Plan. If the Plan is not either extended, replaced, or approved as permanent, the prior versions of paragraphs (c), (e)(2), (f), and (g) shall be in effect, and the provisions of paragraphs (i) through (k) shall be null and void.

(a) (No change).

(b) *Request and Timing of Review.* A Member that receives an execution on an order that was submitted erroneously to the Exchange for its own or customer account may request that the Exchange review the transaction under this Rule. An Officer of the Exchange or such other employee designee of the Exchange (“[Officer]Official”) shall review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such request for review shall be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Members.

(1) *Requests for Review.* Requests for review must be received by the Exchange within thirty (30) minutes of execution time and shall include information concerning the time of the transaction(s), security symbol(s), number of shares, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the numerical guidelines set forth in [Section] paragraph (c)(1) of this Rule, the counterparty to the trade shall be notified by the Exchange as soon as practicable, but generally within thirty (30) minutes. An [Officer]Official may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction shall provide any supporting written information as may be reasonably requested by the Official to aid resolution of the matter[.] within thirty (30) minutes of the Official’s request[, any supporting written information]. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(2) *Routed Executions.* Other market centers will generally have an additional thirty (30) minutes from receipt of their participant’s timely filing, but no longer than sixty (60) minutes from the time of the execution at issue, to file with the Exchange for review of transactions routed to the Exchange from that market center and executed on the Exchange.

(c) *Thresholds.* Determinations of whether an execution is clearly erroneous will be made as follows:

(1) *Numerical Guidelines.* Subject to the provisions of paragraph (c)(3) below, a transaction executed during [the ]Regular Trading Hours[Market Session] or during the Pre-Opening and Post-Closing Session shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below. The execution time of the transaction under review determines whether the threshold is Regular Trading Hours[Market Session] or Pre-Opening or Post-Closing Session (which occur[s] before and after the Regular Trading Hours[Market Session]). The Reference Price will be equal to the consolidated last sale immediately prior to the execution(s) under review except for: (A) Multi-Stock Events involving twenty or more securities, as described in paragraph (c)(2) below; and (B) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest.

Reference Price, Circumstance or Product	Regular <u>Trading Hours</u> [Market Session] Numerical Guidelines (Subject transaction's % difference from the Reference Price):	Pre-Opening and Post-Closing Session Numerical Guidelines (Subject transaction's % difference from the Reference Price):
Greater than \$0.00 up to and including \$25.00	10%	20%
Greater than \$25.00 up to and including \$50.00	5%	10%
Greater than \$50.00	3%	6%
Multi-Stock Event – Filings involving five or more, , but less than twenty, securities whose executions occurred within a period of five minutes or less	10%	10%
Multi-Stock Event – Filings involving twenty or more securities whose executions occurred within a period of five minutes or less	30%, subject to the terms of paragraph (c)(2) below	30%, subject to the terms of paragraph (c)(2) below
Leveraged ETF/ETN securities	Regular <u>Trading Hours</u> [Market Session] Numerical Guidelines multiplied by the leverage	Regular <u>Trading Hours</u> [Market Session] Numerical Guidelines multiplied by the leverage

	multiplier (ie. 2x)	multiplier (ie. 2x)
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(2) (No change).

(3) *Additional Factors.* Except in the context of a Multi-Stock Event involving five or more securities, an [Officer]Official may also consider additional factors to determine whether an execution is clearly erroneous, including but not limited to, system[s] malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an [IPO]initial public offering, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Pre-Opening and Post-Closing Session executions, validity of the consolidated tape[’s] trades and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(d) *Outlier Transactions.* In the case of an Outlier Transaction, an [Officer]Official may [at its]in his or her sole discretion, and on a case-by-case basis, consider requests received pursuant to [subsection]paragraph (b) of this Rule after thirty(30) minutes, but not longer than sixty (60) minutes after the transaction in question, depending on the facts and circumstances surrounding such request.

(1) “Outlier Transaction” means a transaction where[:

(A) ] the execution price of the security is greater than three times the current Numerical Guidelines set forth in [P]paragraph (c)(1) of this [Section]Rule.[, or]

[(B)]

(2) If the execution price of the security in question is not within the Outlier Transaction parameters set forth in [P]paragraph (d)(1)[(A)] of this Rule[the Section] but breaches the 52-week high or 52-week low, the Exchange may consider Additional Factors as outlined in [11.13]paragraph (c)(3), in determining if the transaction qualifies for further review or if the Exchange shall decline to act.

(e) *Review Procedures.*

(1) *Determination by [Officer]Official.* Unless both parties to the disputed transaction agree to withdraw the initial request for review, the transaction under dispute shall be reviewed, and a determination shall be rendered by the [Officer]Official. If the [Officer]Official determines that the transaction is not clearly erroneous, the [Officer]Official shall decline to take any action in connection with the completed trade. In the event that the [Officer]Official determines that the transaction in dispute is clearly erroneous, the [Officer]Official shall declare the transaction null and void. A determination shall be made generally within thirty (30) minutes

of receipt of the complaint, but in no case later than the start of the Regular Trading Hours[Market Session] on the following trading day. The parties shall be promptly notified of the determination.

(2) *Appeals.* If a Member affected by a determination made under this Rule so requests within the time permitted below, the Clearly Erroneous Execution Panel (“CEE Panel”) will review decisions made by the [Officer]Official under this Rule, including whether a clearly erroneous execution occurred and whether the correct determination was made; provided however that the CEE Panel will not review decisions made by an Officer under paragraph (f) of this Rule if such Officer also determines under paragraph (f) of this Rule that the number of the affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest, and further provided that with respect to rulings made by the Exchange in conjunction with one or more additional market centers, the number of affected transactions is similarly such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest and, hence, are also non-appealable.

(A) (No change).

(B) The Exchange shall designate at least ten (10) [Member] representatives of Members to be called upon to serve on the CEE Panel as needed. In no case shall a CEE Panel include a person affiliated with a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate on a CEE Panel on an equally frequent basis.

([3]C) A request for review on appeal must be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Members within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The CEE Panel shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received between 3:00 p.m. Eastern Time[ET] and the close of trading in the Post-Closing Session, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

([4]D) The CEE Panel may overturn or modify an action taken by the [Officer]Official under this Rule. All determinations by the CEE Panel shall constitute final action by the Exchange on the matter at issue.

([5]E) If the CEE Panel votes to uphold the decision made pursuant to [Rule 11.13]paragraph (e)(1) above, the Exchange will assess a \$500.00 fee against the Member(s) who initiated the request for appeal. In addition, in instances where the Exchange, on behalf of a Member, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Member.

([6]F) Any determination by an [officer]Official or by the CEE Panel shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

(f) *System Disruption or Malfunctions.* In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of the Exchange in which the nullification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest exist, [the]an Officer of the Exchange or [such] other senior level employee designee, on his or her own motion, may review such transactions and declare such transactions arising out of the operation of such facilities during such period null and void. In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of paragraph[s] (c)(1)–(3) of this Rule, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the Officer of the Exchange or [such] other senior level employee designee pursuant to this paragraph (f) shall be taken within thirty (30) minutes of detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or [such other] senior level employee designee must be taken by no later than the start of Regular [Session] Trading Hours on the trading day following the date of execution(s) under review. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the [Member]party aggrieved by the action may appeal such action in accordance with the provisions of paragraph[s] (e)(2)[- (4)].

(g) *Officer[ of the Exchange or such other senior level employee designee ]Acting On Own Motion.* An Officer of the Exchange or [such other ]senior level employee designee, acting on [its]his or her own motion, may review potentially erroneous executions and declare trades null and void or shall decline to take any action in connection with the completed trade(s). In such events, the Officer of the Exchange or [such] other senior level employee designee will rely on the provisions of paragraph[s] (c)(1)–(3) of this Rule. Absent extraordinary circumstances, any such action of the Officer of the Exchange or such other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or [such] other senior level employee designee must be taken by no later than the start of [the] Regular Trading Hours[Market Session] on the trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph[s] (e)(2)[- (4)] above.

(h) *Trade Nullification for UTP Securities that are Subject of Initial Public Offerings (“IPOs”).* Pursuant to SEC Rule 12f-2, as amended, the Exchange may extend unlisted trading privileges to a security that is the subject of an [initial public offering]IPO when at least one transaction in the subject security has been effected on the national securities exchange or association upon which the security is listed and the transaction has been reported pursuant to an

effective transaction reporting plan. A clearly erroneous error may be deemed to have occurred in the opening transaction of the subject security if the execution price of the opening transaction on the Exchange is the lesser of \$1.00 or 10% away from the opening price on the listing exchange or association. In such circumstances, the Officer of the Exchange or [such] other senior level employee designee shall declare the opening transaction null and void or shall decline to take action in connection with the completed trade(s). Clearly erroneous executions of subsequent transactions of the subject security will be reviewed in the same manner as the procedure set forth in (e)(1). Absent extraordinary circumstances, any such action of the Officer of the Exchange or [such] other senior level employee designee pursuant to this subsection (h) shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or [such] other senior level employee designee must be taken by no later than the start of Regular [Session] Trading Hours on the trading day following the date of execution(s) under review. Each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of [subsection]paragraph (e)(2)[- (4)] above.

(i) (No change).

(j) *Multi-Day Event.* A series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the “Event”). An Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall take action to declare all transactions that occurred during the Event null and void not later than the start of trading on the day following the last transaction in the Event. If trading in the security is halted before the valuation error is corrected, an Officer of the Exchange or senior level employee designee shall take action to declare all transactions that occurred during the Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can be taken pursuant to this paragraph with respect to any transactions that have reached settlement date or that result from an initial public offering of a security. To the extent transactions related to an Event occur on one or more other market centers, the Exchange will promptly coordinate with such other market center(s) to ensure consistent treatment of the transactions related to the Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2)[- (4)] above.

(k) *Trading Halts.* In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, another market center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause

with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer of the Exchange or senior level employee designee shall nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of Regular Trading Hours on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2)[- (4)] above.

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