

STOCK EXCHANGE			
Regulatory Information Circular			
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**Subject: Equity Clearly Erroneous Review Requests**

Effective today, October 5, 2009, the International Securities Exchange has modified its procedures for requesting a review of clearly erroneous trades in equity securities.

**Clearly Erroneous Review Requests**

- The new procedure requires all requests for review to be made in writing via email. All requests for review must be made within 30 minutes from the time of execution for orders initially routed to and executed on the ISE Stock Exchange.
- The review requests must be emailed to [tradereview@directedge.com](mailto:tradereview@directedge.com) and include the following information:
  1. Transaction(s)
  2. Security symbol(s)
  3. Number of shares
  4. Price(s)
  5. Side (bought or sold)
  6. Factual basis for believing that the trade is clearly erroneous

**Numerical Guidelines**

Numerical Guidelines have been revised to create clear standards for determining what constitutes a clearly erroneous transaction. These Numerical Guidelines represent the general consensus approach and were developed based on the collective experiences of a market-wide group, and are being implemented in conjunction with the other exchanges.

Under the uniform guidelines, a transaction executed during the Pre-Market Session, Regular-Market Session and Post-Market Session may be found to be clearly erroneous only if the price of the transaction to buy is greater, or less in the case of a sale, than the Reference Price by an amount that equals or exceeds the Numerical Guidelines for a particular transaction category (as set forth below).

ISE will generally use the consolidated last sale as the Reference Price to determine whether a trade is clearly erroneous. The execution time of the transaction under review determines which Numerical Guideline is applied. The chart below outlines the details.

<b>Reference Price: Consolidated Last Sale</b>	<b>Regular-Market Session Numerical Guidelines (Subject transaction's % difference from the Consolidated Last Sale):</b>	<b>Pre-Market and Post-Market Session Numerical Guidelines (Subject transaction's % difference from the Consolidated Last Sale):</b>
<b>Greater than \$0.00 up to and including \$25.00</b>	10%	20%
<b>Greater than \$25.00 up to and including \$50.00</b>	5%	10%
<b>Greater than \$50.00</b>	3%	6%
<b>Multi-Stock Event – Filings involving five or more securities by the same subscriber will be aggregated into a single filing</b>	10%	10%
<b>Leveraged ETF/ETN securities</b>	Regular-Market Session Numerical Guidelines multiplied by the leverage multiplier (e.g., 2x)	Regular-Market Session Numerical Guidelines multiplied by the leverage multiplier (e.g., 2x)

ISE may consider additional factors to determine whether an execution is clearly erroneous. These factors include, but are not limited to, system 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, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Pre-Market and Post-Market Session executions, validity of the consolidated tapes 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, the protection of investors and the public interest.

### **Volatile Market Opens**

During a Volatile Market Open, ISE may expand the Numerical Guidelines applicable to transactions occurring between 9:30 a.m. and 10:00 a.m. based on the disseminated value of the S & P 500 Futures at 9:15 a.m.:

- When the S & P 500 Futures are up or down from 3%, to up to but not including 5% at 9:15 a.m., the Numerical Guidelines are doubled for executions occurring between 9:30 a.m. and 10:00 a.m.
- When the S & P 500 Futures are up or down 5% or greater at 9:15 a.m., the Numerical Guidelines are tripled for executions occurring between 9:30 a.m. and 10:00 am.

### **Unusual Circumstances**

In Unusual Circumstances, ISE may use (while attempting to maintain a fair and orderly market, protect investors and public interest) a Reference Price other than the consolidated last sale. Unusual Circumstances can include periods of extreme market

volatility, sustained illiquidity, or widespread system issues. Other Reference Prices may include the consolidated inside price, the consolidated opening price, the consolidated prior close, or the consolidated last sale prior to a series of executions.

**Joint Market Rulings**

In circumstances that involve other markets, ISE could potentially use a different Reference Price and/or Numerical Guideline. In these circumstances, the Reference Price would be determined based on a consensus among the exchanges where the transactions occurred.