

Additions underlined
Deletions [bracketed]

NYSE MKT Rules

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Section 900NY. Rules Principally Applicable to Trading of Option Contracts

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Rule 975NY. [Obvious Errors and Catastrophic Errors] Nullification and Adjustment of Options Transactions including Obvious Errors

Unless otherwise stated, the provisions contained within this Rule are applicable to electronic transactions only.

[(a) Trades Subject to Review. An ATP Holder or person associated with an ATP Holder may have a trade adjusted or nullified if, in addition to satisfying the procedural requirements of paragraph (b) below, one of the following conditions is satisfied.

(1) Definition of Obvious Error. For purposes of this rule only, an Obvious Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below; except for transactions in Binary Return Derivatives which are addressed in paragraph (a)(8):

Theoretical Price	Minimum Amount
Below \$2	.25
\$2 to \$5	.40
Above \$5 to \$10	.50
Above \$10 to \$20	.80
Above \$20	1.00

(2) Definition of Theoretical Price. For purposes of Rule 975NY(a), the Theoretical Price of an option is:

(A) if the series is traded on at least one other options exchange, the last bid price with respect to an erroneous sell transaction and the last offer price with respect to an erroneous buy transaction, just prior to the trade, that comprise the National Best Bid/Offer ("NBBO") as disseminated by the Options Price Reporting Authority ("OPRA"); or

(B) if there are not quotes for comparison purposes, or if the bid/ask differential of the national best bid and offer for the affected series just prior to the erroneous

transaction was at least two times the permitted bid/ask differential pursuant to Rule 925NY(b)(4), as determined by a designated Trading Official.

(3) Adjust or Bust. The Exchange will determine whether there was an Obvious Error as defined above. If it is determined that an Obvious Error has occurred, the Exchange shall take one of the following actions listed below. Upon taking final action, the Exchange shall promptly notify both parties to the trade.

(A) Where no party to the transaction is a Customer, as defined in Rule 900.2NY(18). The execution price of the transaction will be adjusted by the Exchange to the prices provided in paragraphs (i) and (ii) below unless both parties agree to adjust the transaction to a different price or agree to bust the trade within ten (10) minutes of being notified by the Exchange of the Obvious Error.

(i) Erroneous buy transactions will be adjusted to their Theoretical Price: plus \$.15 if the Theoretical Price is under \$3 and plus \$.30 if the Theoretical Price is at or above \$3.

(ii) Erroneous sell transactions will be adjusted to their Theoretical Price: minus \$.15 if the Theoretical Price is under \$3 and minus \$.30 if the Theoretical Price is at or above \$3.

(B) Where at least one party to the Obvious Error is a Customer. The trade will be busted by the Exchange unless both parties agree to an adjustment price for the transaction within thirty (30) minutes of being notified by the Exchange of the Obvious Error.

(C) Obvious Errors occurring on the opening between a Market Maker and a Customer. After the twenty minute notification period as described in (b)(1) below and until 4:30 p.m. eastern time ("ET") on the subject trade date, a Customer who is party to an Obvious Error transaction may request review of the subject transaction, and the execution price of the transaction will be adjusted (provided the adjustment does not violate the Customer limit price) by Trading Officials to the prices provided in Paragraphs (3)(A)(i) and (3)(A)(ii) above, without the adjustment penalty, unless both parties agree to adjust the transaction to a different price or agree to bust the trade within thirty (30) minutes of being notified by Trading Officials of the Obvious Error. The option contract quantity of any adjustment with respect to an erroneous sell (buy) transaction shall not exceed the disseminated bid (offer) size by the competing options exchange(s) that comprise the National Best Bid (Offer) as disseminated by OPRA at the time of the Obvious Error.

(D) Transactions occurring on the opening between a Customer and a non-Market Maker: After the twenty minute notification period as described in (b)(1) below and until 4:30 p.m. ET on the subject trade date, where parties to the transaction are a Customer and a non-Market-Maker(s), the Customer may request review of

the subject transaction and, the execution price of the transaction will be adjusted (provided the adjustment does not violate the non-Market Maker's limit price) by Trading Officials to the prices provided in Paragraphs (3)(A)(i) and (3)(A)(ii) above, without the adjustment penalty, unless both parties agree to adjust the transaction to a different price or agree to bust the trade within thirty (30) minutes of being notified by Trading Officials of the Obvious Error. The option contract quantity of any adjustment with respect to an erroneous sell (buy) transaction shall not exceed the disseminated bid (offer) size by the competing options exchange(s) that comprise the National Best Bid (Offer) as disseminated by OPRA at the time of the Obvious Error.

(4) **Erroneous Print in Underlying or Related Instrument:** An electronic trade resulting from an erroneous print disseminated in a designated underlying or related instrument which is later cancelled or corrected may be adjusted or nullified in the same manner and subject to the same conditions as that set forth in paragraph (a)(3) above for Obvious Errors. In order to be adjusted or nullified, however, the trade must be the result of an erroneous print that is higher or lower than the average trade in such instrument during a two-minute period before and after the erroneous print by an amount at least five times greater than the average quote width for such instrument during the same period.

For purposes of this paragraph (4):

(A) The underlying or related instrument(s) (which may include the underlying or related ETF(s), HOLDERS(s) and/or index value(s), and/or related futures product(s)) and the relevant market(s) shall be designated by the Exchange and announced to ATP Holders via Regulatory Bulletin. To qualify for consideration as a "related instrument," the ETF, HOLDERS or index option class and related instrument must be derived from or designed to track the same underlying index.

(B) For purposes of an equity, ETF, HOLDERS or futures product, the average trade in the underlying or related instrument shall be determined by adding the prices of each trade during the four minute time period referenced above (excluding the trade in question) and dividing by the number of trades during such time period (excluding the trade in question). The average quote width shall be determined by adding the quote widths of sample quotations at regular 15-second intervals during the four minute time period referenced above (excluding the quote in question) and dividing by the number of sample quotations during such time period (excluding the quote in question).

(C) For purposes of an index value, the above-references to "average trade" and "average quote width" shall mean the average index value and the index range. The average index value shall be determined by adding the index values reported during the four minute time period referenced above (excluding the index value in question) and dividing by the number of index values reported during such time period (excluding the index value in question). The index range shall be the

difference between the highest and lowest index values during the four minute time period referenced above (excluding the index value in question).

(5) Erroneous Quote in Underlying or Related Instrument: Electronic trades resulting from an erroneous quote in a designated underlying or related instrument may be adjusted or nullified in the same manner and subject to the same conditions as that set forth in paragraph (a)(3) above for Obvious Errors. An erroneous quote occurs when the underlying or related instrument has a width of at least \$1.00 and has a width at least five times greater than the average quote width for such underlying security or related instrument on the relevant market during the time period encompassing two minutes before and after the dissemination of such quote.

For purposes of this paragraph (5):

(A) The underlying or related instrument(s) (which may include the underlying or related ETF(s), HOLDERS(s) and/or index value(s), and/or related futures product(s)) and the relevant market(s) shall be designated by the Exchange and announced to ATP Holders via Regulatory Bulletin. To qualify for consideration as a "related instrument," the ETF, HOLDERS or index option class and related instrument must be derived from or designed to track the same underlying index.

(B) The average quote width shall be determined by adding the quote widths of sample quotations at regular 15-second intervals during the four minute time period referenced above (excluding the quote in question) and dividing by the number of quotes during such time period (excluding the quote in question).

(6) No Bid Series: Electronic transactions in series where the NBBO bid is zero will be nullified provided:

(A) the bid in that series immediately preceding the execution was, and for five seconds prior to the execution remained, zero; and

(B) at least one strike price below (for calls) or above (for puts) in the same options class was quoted no bid at the time of execution.

For purposes of (A) and (B) above, bids and offers of the parties to the subject trade that are in any of the series in the same options class shall not be considered. In addition, each group of series in an options class with a non-standard deliverable will be treated as a separate options class.

(7) Complex Order Obvious Errors: Where one or more legs of a Complex Order is eligible to be adjusted or busted under section (a)(3) of this rule, the executed Complex Order will be handled in accordance with the following:

(A) If a Complex Order executes against another Complex Order in the Complex Order Book and one or more legs of the transaction is deemed eligible to be adjusted or busted, the entire trade (all legs) will be busted, unless both parties

agree to adjust the transaction to a different price within thirty (30) minutes of being notified by the Exchange of the decision to bust. However, if the only leg(s) deemed eligible to be adjusted or busted is pursuant to (a)(6) above, then the entire trade (all legs) will stand.

(B) If a Complex Order executes against orders or quotes in the Consolidated Book, each leg will be reviewed and handled independently in accordance with the language of Rule 975NY.

(8) Binary Return Derivatives: Notwithstanding subsection (a)(1) of this rule, any transaction in a Binary Return Derivatives contract that is higher or lower than the Theoretical Price by \$.25 or more shall be deemed an Obvious Error, subject to the adjustment procedures of paragraph (a)(3), unless such adjustment would result in a price higher than \$1.02, in which case the adjustment price shall be \$1.02.

(9) Verifiable Disruptions or Malfunctions of Exchange Systems: Electronic or open outcry transactions arising out of a "verifiable disruption or malfunction" in the use or operation of any Exchange automated quotation, dissemination, execution or communication system may either be nullified or adjusted by Trading Officials. Transactions that qualify for price adjustment will be adjusted to the Theoretical Price, as defined in paragraph (a)(2) of this Rule

(b) Procedures for Reviewing Transactions.

(1) Notification. If a Market Maker believes that it participated in a transaction that may be subject to adjustment or nullification pursuant to paragraphs (a)(3), (a)(4), (a)(5) or (a)(6) of this Rule, it must notify the Exchange within ten (10) minutes of the execution. If an ATP Holder not serving as a Market Maker believes that an order it executed may be subject to adjustment or nullification pursuant to paragraphs (a)(3), (a)(4), (a)(5), (a)(6) or (a)(7) of this Rule, it must notify the Exchange within twenty (20) minutes of the execution, unless the ATP Holder is acting as agent on behalf of a Customer (but not as agent on behalf of a Professional Customer) order in which case they shall have thirty (30) minutes. Except where noted in paragraphs (b)(2), (a)(3)(C) or (a)(3)(D) or absent unusual circumstances, the Exchange will not grant relief under this Rule unless notification is made within the prescribed time periods.

(2) Review and Determination. Once a party to a transaction has applied for review, the transaction shall be reviewed and a determination rendered, unless both parties to the transaction agree to withdraw the application for review prior to the time a decision is rendered.

(3) Procedures for Reviewing Trades on Exchange Motion. In the interest of maintaining a fair and orderly market and for the protection of investors, the Exchange's Chief Executive Officer ("CEO") or designee thereof, who is an officer of the Exchange (collectively "Exchange officer"), may, on his or her own motion or upon request, determine to review any transaction occurring on the Exchange that is believed to be

erroneous. A transaction reviewed pursuant to this provision may be nullified or adjusted only if it is determined by the Exchange officer that the transaction is erroneous as provided in Rule 975NY(a)(3)-(a)(9). A transaction would be adjusted or nullified in accordance with the provision under which it is deemed an erroneous transaction. The Exchange officer may be assisted by a Trading Official in reviewing a transaction.

The Exchange officer shall act pursuant to this paragraph as soon as possible after receiving notification of the transaction, and ordinarily would be expected to act on the same day as the transaction occurred. In no event shall the Exchange officer act later than 9:30 a.m. (ET) on the next trading day following the date of the transaction in question. An ATP Holder affected by a determination to nullify or adjust a transaction pursuant to this paragraph (3) may appeal such determination in accordance with Rule 975NY(c); however, a determination by an Exchange officer not to review a transaction, or a determination not to nullify or adjust a transaction for which a review was requested or conducted, is not appealable. If a transaction is reviewed and a determination is rendered pursuant to Rules 975NY(a)(3)-(a)(9), no additional relief may be granted under this provision.

(c) Obvious Error Panel.

(1) If a party to a determination pursuant to paragraph (b)(2) of this Rule requests within the time permitted under paragraph (c)(2) below, the Obvious Error Panel ("OE Panel") will review decisions made by the Exchange under this Rule, including whether an Obvious Error occurred and whether the correct action was made pursuant to paragraphs (a)(3)-(6) of the Rule.

(A) The OE Panel will be comprised of the Exchange's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and a representative from two (2) different ATP Holders. One representative on the OE Panel will be from an ATP Holder directly engaged in market making activities and one representative on the OE Panel will be from an ATP Holder directly engaged in the handling of options orders for public customers.

(B) The Exchange shall designate at least ten (10) ATP Holder representatives to be called upon to serve on the OE Panel as needed. In no case shall an OE Panel include a person related to a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate in an OE Panel on an equally frequent basis.

(2) A request for review on appeal must be made via facsimile or e-mail within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The OE Panel shall review the facts and render a decision within the time frame prescribed by the Exchange.

(3) The OE Panel may overturn or modify an action taken by the Exchange under this Rule. All determinations by the OE Panel shall constitute final action by the Exchange on the matter at issue.

(4) If the OE Panel votes to uphold the decision made pursuant to Rule 975NY(b)(2), the Exchange will assess a \$500.00 fee against the party or parties who initiated the request for appeal.

(d) Catastrophic Error Price Adjustment Procedures

The Exchange shall adjust the execution price of a transaction that results from a Catastrophic Error as provided in this rule.

(1) Catastrophic Error. For purposes of Rule 975NY(d), a Catastrophic Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the minimum amount shown below; except for Binary Return Derivatives where any transaction occurring at a price greater than \$1.02 shall qualify as a Catastrophic Error:

Theoretical Price	Minimum Amount
Below \$2	\$1
\$2 to \$5	\$2
Above \$5 to \$10	\$3
Above \$10 to \$20	\$5
Above \$20 to \$50	\$7
Above \$50 to \$100	\$10
Above \$100	\$15

(2) Theoretical Price. For purposes of Rule 975NY(d) the Theoretical Price of an option is:

(A) if the series is traded on at least one other options exchange, the last bid price with respect to an erroneous sell transaction and the last offer price with respect to an erroneous buy transaction, just prior to the trade, that comprise the NBBO as disseminated by OPRA; or

(B) if there are not quotes for comparison purposes, or if the bid/ask differential of the NBBO for the affected series just prior to the erroneous transaction was at least two times the permitted bid/ask differential pursuant to Rule 925NY(b)(4), as determined by a designated Trading Official.

(3) Catastrophic Error Procedure. The Exchange shall administer the application of Rule 975NY(d) as follows:

(A) Notification. If an ATP Holder believes that it participated in a transaction that qualifies as a Catastrophic Error pursuant to paragraph (d)(1) above, it must notify the Exchange by 8:30 am ET, on the first trading day following the date of the Catastrophic Error. For such transactions in an expiring options series that take place on an expiration day that is a business day, an ATP Holder must notify the Exchange by 5:00 pm ET that same day. For such transactions in an options series that take place on the business day immediately prior to an expiration day that is

not a business day, an ATP Holder must notify the Exchange by 5:00 pm ET on such business day. Relief will only be granted under this paragraph: (i) if notification is made within the prescribed time period; and (ii) if an OE Panel has not previously rendered a decision with respect to the transaction(s) in question pursuant to Rule 975NY(c).

(B) Catastrophic Error Determination. A Trading Official will determine whether the transaction(s) qualify as a Catastrophic Error. If it is determined that a Catastrophic Error has occurred, the Exchange will adjust the execution price(s) of the transaction(s) according to subparagraph (C) below, unless a Customer is party to the trade. Anytime a Customer is party to a trade that has been deemed a Catastrophic Error, the Exchange will adjust the trade in accordance with subparagraph (C) below, unless such adjustment would violate the Customer's limit price. If the adjustment would violate the Customer's limit price, the Customer will have 30 minutes from the time the Exchange notifies the Customer of the adjustment price to accept it; otherwise, the Exchange will bust the trade. Notwithstanding the foregoing, both parties to the trade may mutually agree to an adjustment price within 30 minutes after being notified by the Exchange of the Catastrophic Error.

(C) Adjustment. If it is determined that a Catastrophic Error has occurred where none of the parties is a Customer, unless both (all) parties agree to adjust the transaction to a different price or agree to bust the trade within 10 minutes of being notified of the Catastrophic Error by the Exchange, the execution price(s) of the transaction(s) will be adjusted to the Theoretical Price, (i) plus the adjustment value provided below for erroneous buy transactions, and (ii) minus the adjustment value provided for erroneous sell transactions; except for Binary Return Derivatives, which shall be adjusted in accordance with (d)(3)(C)(i). Except for Binary Return Derivatives, Catastrophic Errors involving Customers are handled as described in (d)(3)(B) of this rule.

Theoretical Price	Adjustment Amount
Below \$2	\$1
\$2 to \$5	\$2
Above \$5 to \$10	\$3
Above \$10 to \$20	\$5
Above \$20 to \$50	\$7
Above \$50 to \$100	\$10
Above \$100	\$15

(i) Binary Return Derivatives Adjustments. Upon proper notification as described in section (d)(3)(A) of this Rule, any transaction qualifying as Catastrophic Error will automatically be adjusted by the Exchange to \$1.02 per contract unless both parties mutually agree to nullify the transaction or both parties mutually agree to a different adjustment price.

(D) Review Procedure. If a party to a determination made pursuant to subparagraph (d)(3)(B) of this Rule so requests within thirty (30) minutes after being given notification of the determination, the CER Panel will review that determination to decide if it was correct, and to decide whether the correct action was taken pursuant to subparagraphs (d)(3)(B) and (C) of the Rule based on such determination. All decisions made by the CER Panel shall constitute final Exchange action on the matter at issue.

(E) Catastrophic Error Review Panel ("CER Panel"). The CER Panel shall be comprised of the CRO, or a designee of the CRO, and a representative from two (2) different ATP Holders. One representative on the Panel will always be from an ATP Holder directly engaged in market making activities and one representative on the CER Panel will always be from an ATP Holder directly engaged in the handling of options orders for Customers. The Exchange shall designate at least ten (10) ATP Holder representatives to be called upon to serve on the CER Panel as needed. In no case shall a CER Panel include a person related to a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate in a Panel on an equally frequent basis.

(F) If the CER Panel confirms a determination made by the Trading Official pursuant to subparagraph (d)(3)(B) of this Rule, the ATP Holder that requested review of the determination by the CER Panel will be assessed a fee of \$5,000.]

(a) Definitions.

(1) Customer. For purposes of this Rule, a Customer shall not include any broker-dealer or Professional Customer.

(2) Erroneous Sell/Buy Transaction. For purposes of this Rule, an “erroneous sell transaction” is one in which the price received by the person selling the option is erroneously low, and an “erroneous buy transaction” is one in which the price paid by the person purchasing the option is erroneously high.

(3) Official. For purposes of this Rule, an Official is an Officer of the Exchange or a Trading Official, as defined in Rule 900.2NY(82) who is trained in the application of this Rule.

(4) Size Adjustment Modifier. For purposes of this Rule, the Size Adjustment Modifier will be applied to individual transactions as follows:

Number of Contracts per Execution	Adjustment Theoretical Price Plus/Minus
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<u>1-50</u>	<u>N/A</u>
<u>51-250</u>	<u>2 times adjustment amount</u>
<u>251-1000</u>	<u>2.5 times adjustment amount</u>
<u>1001 or more</u>	<u>3 times adjustment amount</u>

(b) Theoretical Price. Upon receipt of a request for review and prior to any review of a transaction execution price, the “Theoretical Price” for the option must be determined. For purposes of this Rule, if the applicable option series is traded on at least one other options exchange, then the Theoretical Price of an option series is the last NBB just prior to the trade in question with respect to an erroneous sell transaction or the last NBO just prior to the trade in question with respect to an erroneous buy transaction unless one of the exceptions in subparagraphs (b)(1) through (3) below exists. For purposes of this provision, when a single order received by the Exchange is executed at multiple price levels, the last NBB and last NBO just prior to the trade in question would be the last NBB and last NBO just prior to the Exchange’s receipt of the order.

- (1) Transactions at the Open. For a transaction occurring as part of the Opening Process (as defined in Rule 952NY) the Exchange will determine the Theoretical Price if there is no NBB or NBO for the affected series just prior to the erroneous transaction or if the bid/ask differential of the NBB and NBO just prior to the erroneous transaction is equal to or greater than the Minimum Amount set forth in the chart contained in subparagraph (b)(3) below. If the bid/ask differential is less than the Minimum Amount, the Theoretical Price is the NBB or NBO just prior to the erroneous transaction.
- (2) No Valid Quotes. The Exchange will determine the Theoretical Price if there are no quotes or no valid quotes for comparison purposes. Quotes that are not valid are all quotes in the applicable option series published at a time where the last NBB is higher than the last NBO in such series (a “crossed market”), quotes published by the Exchange that were submitted by either party to the transaction in question, and quotes published by another options exchange against which the Exchange has declared self-help.
- (3) Wide Quotes. The Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the erroneous transaction was equal to or greater than the Minimum Amount set forth below and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction. If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction then the Theoretical Price of an option series is the last NBB or NBO just prior to the transaction in question, as set forth in paragraph (b) above.

<u>Bid Price at Time of Trade</u>	<u>Minimum Amount</u>
<u>Below \$2.00</u>	<u>\$0.75</u>

<u>\$2.00 to \$5.00</u>	<u>\$1.25</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$1.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$2.50</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$3.00</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$4.50</u>
<u>Above \$100.00</u>	<u>\$6.00</u>

(c) Obvious Errors.

(1) Definition. For purposes of this Rule, an Obvious Error will be deemed to have occurred when the Exchange receives a properly submitted filing where the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

<u>Theoretical Price</u>	<u>Minimum Amount</u>
<u>Below \$2.00</u>	<u>\$0.25</u>
<u>\$2.00 to \$5.00</u>	<u>\$0.40</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$0.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$0.80</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$1.00</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$1.50</u>
<u>Above \$100.00</u>	<u>\$2.00</u>

(2) Time Deadline. A party that believes that it participated in a transaction that was the result of an Obvious Error must notify the Exchange's Trade Desk in the form and manner specified from time to time by the Exchange in a Trader Update. Such notification must be received by the Exchange's Trade Desk within the timeframes specified below:

- (A) Customer Orders. For an execution of a Customer order, a filing must be received by the Exchange within thirty (30) minutes of the execution, subject to sub-paragraph (C) below; and
- (B) "Non-Customer" Orders. For an execution of any order other than a Customer order, a filing must be received by the Exchange within fifteen (15) minutes of the execution, subject to sub-paragraph (C) below.
- (C) Linkage Trades. Any other options exchange will have a total of forty-five (45) minutes for Customer orders and thirty (30) minutes for non-Customer orders, measured from the time of execution on the Exchange, to file with the Exchange for review of transactions routed to the Exchange from that options exchange and executed on the Exchange ("linkage trades"). This includes filings on behalf of another options exchange filed by a third-party routing broker if such third-party broker identifies the affected transactions as linkage

trades. In order to facilitate timely reviews of linkage trades the Exchange will accept filings from either the other options exchange or, if applicable, the third-party routing broker that routed the applicable order(s). The additional fifteen (15) minutes provided with respect to linkage trades shall only apply to the extent the options exchange that originally received and routed the order to the Exchange itself received a timely filing from the entering participant (i.e., within 30 minutes if a Customer order or 15 minutes if a non-Customer order).

(3) Official Acting on Own Motion. An Official may review a transaction believed to be erroneous on his/her own motion in the interest of maintaining a fair and orderly market and for the protection of investors. A transaction reviewed pursuant to this paragraph may be nullified or adjusted only if it is determined by the Official that the transaction is erroneous in accordance with the provisions of this Rule, provided that the time deadlines of sub-paragraph (c)(2) above shall not apply. The Official shall act as soon as possible after becoming aware of the transaction, and ordinarily would be expected to act on the same day that the transaction occurred. In no event shall the Official act later than 8:30 a.m. ET on the next trading day following the date of the transaction in question. A party affected by a determination to nullify or adjust a transaction pursuant to this provision may appeal such determination in accordance with paragraph (k) below; however, a determination by an Official not to review a transaction or determination not to nullify or adjust a transaction for which a review was conducted on an Official's own motion is not appealable. If a transaction is reviewed and a determination is rendered pursuant to another provision of this Rule, no additional relief may be granted under this provision.

(4) Adjust or Bust. If it is determined that an Obvious Error has occurred, the Exchange shall take one of the actions listed below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) Non-Customer Transactions. Where neither party to the transaction is a Customer, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any non-Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in sub-paragraph (a)(4) above.

<u>Theoretical Price (TP)</u>	<u>Buy Transaction Adjustment – TP Plus</u>	<u>Sell Transaction Adjustment – TP Minus</u>
<u>Below \$3.00</u>	<u>\$0.15</u>	<u>\$0.15</u>
<u>At or above \$3.00</u>	<u>\$0.30</u>	<u>\$0.30</u>

(B) Customer Transactions. Where at least one party to the Obvious Error is a Customer, the trade will be nullified, subject to sub-paragraph (C) below.

(C) If any ATP Holder submits requests to the Exchange for review of transactions pursuant to this rule, and in aggregate that ATP Holder has 200 or more Customer transactions under review concurrently and the orders resulting

in such transactions were submitted during the course of 2 minutes or less, where at least one party to the Obvious Error is a non-Customer, the Exchange will apply the non-Customer adjustment criteria set forth in sub-paragraph (A) above to such transactions.

(5) *Complex Order Obvious Errors:* Where one or more legs of a Complex Order is eligible to be adjusted or busted under section (c)(4) of this rule, the executed Complex Order will be handled in accordance with the following:

(A) If a Complex Order executes against another Complex Order in the Complex Order Book and one or more legs of the transaction is deemed eligible to be adjusted or busted, the entire trade (all legs) will be busted, unless both parties agree to adjust the transaction to a different price within thirty (30) minutes of being notified by the Exchange of the decision to bust.

(B) If a Complex Order executes against orders or quotes in the Consolidated Book, each leg will be reviewed and handled independently in accordance with the language of Rule 975NY.

(6) *Binary Return Derivatives:* Notwithstanding subsection (c)(1) of this rule, any transaction in a Binary Return Derivatives contract that is higher or lower than the Theoretical Price by \$.25 or more shall be deemed an Obvious Error, subject to the adjustment procedures of paragraph (c)(4) unless such adjustment would result in a price higher than \$1.02, in which case the adjustment price shall be \$1.02.

(d) *Catastrophic Errors.*

(1) *Definition.* For purposes of this Rule, a Catastrophic Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below; except for Binary Return Derivatives where any transaction occurring at a price greater than \$1.02 shall qualify as a Catastrophic Error:

<u>Theoretical Price</u>	<u>Minimum Amount</u>
<u>Below \$2.00</u>	<u>\$0.50</u>
<u>\$2.00 to \$5.00</u>	<u>\$1.00</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$1.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$2.00</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$2.50</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$3.00</u>
<u>Above \$100.00</u>	<u>\$4.00</u>

(2) *Time Deadline.* A party that believes that it participated in a transaction that was the result of a Catastrophic Error must notify the Exchange's Trade Desk in the manner specified from time to time by the Exchange in a Trader Update. Such notification

must be received by the Exchange's Trade Desk by 8:30 a.m. ET on the first trading day following the execution. For transactions in an expiring options series that take place on an expiration day, a party must notify the Exchange's Trade Desk within 45 minutes after the close of trading that same day.

(3) Adjust or Bust. If it is determined that a Catastrophic Error has occurred, the Exchange shall take action as set forth below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone. In the event of a Catastrophic Error, the execution price of the transaction will be adjusted by the Official pursuant to the table below, except for Binary Return Derivatives, which shall be adjusted in accordance with (d)(3)(A). Any Customer order subject to this sub-paragraph will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

<u>Theoretical Price (TP)</u>	<u>Buy Transaction Adjustment – TP Plus</u>	<u>Sell Transaction Adjustment – TP Minus</u>
<u>Below \$2.00</u>	<u>\$0.50</u>	<u>\$0.50</u>
<u>\$2.00 to \$5.00</u>	<u>\$1.00</u>	<u>\$1.00</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$1.50</u>	<u>\$1.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$2.00</u>	<u>\$2.00</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$2.50</u>	<u>\$2.50</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$3.00</u>	<u>\$3.00</u>
<u>Above \$100.00</u>	<u>\$4.00</u>	<u>\$4.00</u>

(A) Binary Return Derivatives Adjustments. Upon proper notification as described in section (d)(2) of this Rule, any transaction in ByRDS, qualifying as a Catastrophic Error will automatically be adjusted by the Exchange to \$1.02 per contract unless both parties mutually agree to nullify the transaction or both parties mutually agree to a different adjustment price.

(e) Significant Market Events.

(1) Definition. For purposes of this Rule, a Significant Market Event will be deemed to have occurred when: criterion (A) below is met or exceeded or the sum of all applicable event statistics, where each is expressed as a percentage of the relevant threshold in criteria (A) through (D) below, is greater than or equal to 150% and 75% or more of at least one category is reached, provided that no single category can contribute more than 100% to the sum and any category contributing more than 100% will be rounded down to 100%. All criteria set forth below will be measured in aggregate across all exchanges.

(A) Transactions that are potentially erroneous would result in a total Worst-Case Adjustment Penalty of \$30,000,000, where the Worst-Case Adjustment Penalty is computed as the sum, across all potentially erroneous trades, of:

(i) \$0.30 (i.e., the largest Transaction Adjustment value listed in sub-paragraph (e)(3)(A) below); times

(ii) the contract multiplier for each traded contract; times

(iii) the number of contracts for each trade; times

(iv) the appropriate Size Adjustment Modifier for each trade, if any, as defined in sub-paragraph (e)(3)(A) below.

(B) Transactions involving 500,000 options contracts are potentially erroneous;

(C) Transactions with a notional value (i.e., number of contracts traded multiplied by the option premium multiplied by the contract multiplier) of \$100,000,000 are potentially erroneous;

(D) 10,000 transactions are potentially erroneous.

(2) *Coordination with Other Options Exchanges.* To ensure consistent application across options exchanges, in the event of a suspected Significant Market Event, the Exchange shall initiate a coordinated review of potentially erroneous transactions with all other affected options exchanges to determine the full scope of the event. When this paragraph is invoked, the Exchange will promptly coordinate with the other options exchanges to determine the appropriate review period as well as select one or more specific points in time prior to the transactions in question and use one or more specific points in time to determine Theoretical Price. Other than the selected points in time, if applicable, the Exchange will determine Theoretical Price in accordance with paragraph (b) above.

(3) *Adjust or Bust.* If it is determined that a Significant Market Event has occurred then, using the parameters agreed as set forth in sub-paragraph (e)(2) above, if applicable, an Official will determine whether any or all transactions under review qualify as Obvious Errors. The Exchange shall take one of the actions listed below with respect to all transactions that qualify as Obvious Errors pursuant to sub-paragraph (c)(1) above. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) The execution price of each affected transaction will be adjusted by an Official to the price provided below unless both parties agree to adjust the transaction to a different price or agree to bust the trade. In the context of a Significant Market Event, any error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in sub-paragraph (a)(4) above.

<u>Theoretical Price (TP)</u>	<u>Buy Transaction Adjustment – TP Plus</u>	<u>Sell Transaction Adjustment – TP Minus</u>
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<u>Below \$3.00</u>	<u>\$0.15</u>	<u>\$0.15</u>
<u>At or above \$3.00</u>	<u>\$0.30</u>	<u>\$0.30</u>

(B) Where at least one party to the transaction is a Customer, the trade will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

(4) Nullification of Transactions. If the Exchange, in consultation with other options exchanges, determines that timely adjustment is not feasible due to the extraordinary nature of the situation, then the Exchange will nullify some or all transactions arising out of the Significant Market Event during the review period selected by the Exchange and other options exchanges consistent with this paragraph. To the extent the Exchange, in consultation with other options exchanges, determines to nullify less than all transactions arising out of the Significant Market Event, those transactions subject to nullification will be selected based upon objective criteria with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(5) Final Rulings. With respect to rulings made pursuant to this paragraph, the number of affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. Accordingly, rulings by the Exchange pursuant to this paragraph are non-appealable.

(f) Trading Halts. The Exchange shall nullify any transaction that occurs during a trading halt in the affected option on the Exchange pursuant to Rule 953NY Commentary .04.

(g) Erroneous Print in Underlying. A trade resulting from an erroneous print(s) disseminated by the underlying market that is later nullified by that underlying market shall be adjusted or busted as set forth in sub-paragraph (c)(4) of this Rule, provided a party notifies the Exchange's Trade Desk in a timely manner as set forth below. For purposes of this paragraph, a trade resulting from an erroneous print(s) shall mean any options trade executed during a period of time for which one or more executions in the underlying security are nullified and for one second thereafter. If a party believes that it participated in an erroneous transaction resulting from an erroneous print(s) pursuant to this paragraph it must notify the Exchange's Trade Desk within the timeframes set forth in sub-paragraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification by the underlying market(s) of nullification of transactions in the underlying security. If multiple underlying markets nullify trades in the underlying security, the allowed notification timeframe will commence at the time of the first market's notification.

(1) Erroneous Print in Related Instrument. A trade resulting from an erroneous print in a related instrument that is later cancelled or corrected may be adjusted or busted as set forth in sub-paragraph (c)(4) of this Rule, provided a party notifies the Exchange's Trade Desk within the timeframes set forth in sub-paragraph (c)(2) above. In order to be adjusted or nullified, however, the trade must be the result of an erroneous print that is higher or lower than the average trade in such instrument during a two-minute period

before and after the erroneous print by an amount at least five times greater than the average quote width for such instrument during the same period. For purposes of this paragraph, a related instrument refers to ETFs, HOLDRS(s) and/or index value(s), and/or related futures product(s) as designated by the Exchange and announced to ATP Holders via Trader Update. To qualify as a "related instrument" the ETF, HOLDRS, or index option class and related instrument must be derived from or designed to track the same underlying index.

(A)For purposes of an ETF, HOLDRS or futures product, the average trade in the underlying or related instrument shall be determined by adding the prices of each trade during the four minute time period referenced above (excluding the trade in question) and dividing by the number of trades during such time period (excluding the trade in question). The average quote width shall be determined by adding the quote widths of sample quotations at regular 15-second intervals during the four minute time period referenced above (excluding the quote in question) and dividing by the number of sample quotations during such time period (excluding the quote in question).

(B)For purposes of an index value, the above-references to "average trade" and "average quote width" shall mean the average index value and the index range. The average index value shall be determined by adding the index values reported during the four minute time period referenced above (excluding the index value in question) and dividing by the number of index values reported during such time period (excluding the index value in question). The index range shall be the difference between the highest and lowest index values during the four minute time period referenced above (excluding the index value in question).

(h) *Erroneous Quote in Underlying.* A trade resulting from an erroneous quote(s) in the underlying security shall be adjusted or busted as set forth in sub-paragraph (c)(4) this Rule, provided a party notifies the Exchange's Trade Desk in a timely manner as set forth below. An erroneous quote occurs when the underlying security has a width of at least \$1.00 and has a width at least five times greater than the average quote width for such underlying security during the time period encompassing two minutes before and after the dissemination of such quote. For purposes of this paragraph, the average quote width shall be determined by adding the quote widths of sample quotations at regular 15-second intervals during the four-minute time period referenced above (excluding the quote(s) in question) and dividing by the number of quotes during such time period (excluding the quote(s) in question). If a party believes that it participated in an erroneous transaction resulting from an erroneous quote(s) pursuant to this paragraph it must notify the Exchange's Trade Desk in accordance with sub-paragraph (c)(2) above.

(1) *Erroneous Quote in Related Instrument.* For the purposes of subsection (h) above, the underlying security may include the underlying or related ETF(s), HOLDRS(s) and/or index value(s), and/or related futures product(s)). The related instruments and the relevant market(s) shall be designated by the Exchange and announced to ATP Holders via Trader Update. To qualify for consideration as a "related instrument," the ETF,

HOLDERS or index option class and related instrument must be derived from or designed to track the same underlying index.

(i) Stop (and Stop Limit) Order Trades Triggered by Erroneous Trades. Transactions resulting from the triggering of a Stop or Stop Limit Order by an erroneous trade in an option contract shall be nullified by the Exchange, provided a party notifies the Exchange's Trade Desk in a timely manner as set forth below. If a party believes that it participated in an erroneous transaction pursuant to this paragraph it must notify the Exchange's Trade Desk within the timeframes set forth in sub-paragraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification of the nullification of transaction(s) that triggered the stop or stop-limit order.

(j) Linkage Trades. If the Exchange routes an order pursuant to the Plan (as defined in Rule 990NY(14)) that results in a transaction on another options exchange (a "Linkage Trade") and such options exchange subsequently nullifies or adjusts the Linkage Trade pursuant to its rules, the Exchange will perform all actions necessary to complete the nullification or adjustment of the Linkage Trade.

(k) Appeals.

(1) Obvious Error Panel.

(A) If a party to a determination pursuant to paragraph (c) of this Rule requests within the time permitted under paragraph (c)(2) above, the Obvious Error Panel ("OE Panel") will review decisions made by the Exchange under this Rule, including whether an Obvious Error occurred and whether the correct action was made pursuant to paragraphs (c) of the Rule.

(B) A request for review on appeal must be made via facsimile or e-mail within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The OE Panel shall review the facts and render a decision within the time frame prescribed by the Exchange.

(C) The OE Panel may overturn or modify an action taken by the Exchange under this Rule. All determinations by the OE Panel shall constitute final action by the Exchange on the matter at issue.

(D) If the OE Panel votes to uphold the decision made pursuant to Rule 975NY(c) the Exchange will assess a \$500.00 fee against the party or parties who initiated the request for appeal.

(2) Catastrophic Error Panel.

(A) If a party to a determination made pursuant to subparagraph (d) of this Rule so requests within thirty (30) minutes after being given notification of the determination, the Catastrophic Error Panel ("CE Panel") will review that

determination to decide if it was correct, and to decide whether the correct action was taken pursuant to subparagraph (d) of the Rule based on such determination. All decisions made by the CE Panel shall constitute final Exchange action on the matter at issue.

(B) If the CE Panel votes to uphold the decision made pursuant to Rule 975NY(d), the ATP Holder that requested review of the determination by the CE Panel will be assessed a fee of \$5000.

(3) Composition of OE and CE Panels

(A) OE Panels and CE Panels will be comprised of the NYSE MKT Chief Regulatory Officer ("CRO"), or a designee of the CRO, and a representative from two (2) different ATP Holders. One representative on the Panel will be from an ATP Holder directly engaged in market making activities and one representative on the Panel will be from an ATP Holder directly engaged in the handling of options orders for Customers.

(B) The Exchange shall designate at least ten (10) ATP Holder representatives to be called upon to serve on the Panels as needed. In no case shall a Panel include a person related to a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate in an OE Panel or CE Panel on an equally frequent basis.

(1) Verifiable Disruptions or Malfunctions of Exchange Systems: Electronic or open outcry transactions arising out of a "verifiable disruption or malfunction" in the use or operation of any Exchange automated quotation, dissemination, execution or communication system may either be nullified or adjusted by an Official. Transactions that qualify for price adjustment will be adjusted to the Theoretical Price, as defined in paragraph (b) of this Rule.

Commentary:

.01 All determinations made by the Exchange under paragraphs [(b) or paragraph (d)(3)] (c), (d), or (k) will be rendered without prejudice as to the rights of the parties to the transaction to submit a dispute to arbitration.

.02 [For purposes of this rule an "erroneous sell transaction" is one in which the price received by the person selling the option is erroneously low by amounts at least equal to the minimum amount described in subsection (a)(1) for Obvious Errors and subsection (d)(1) for Catastrophic Errors. An "erroneous buy transaction" is one in which the price paid by the person buying the option is erroneously high by amounts at least equal to the minimum amount described in subsection (a)(1) for Obvious Errors and subsection (d)(1) for Catastrophic Errors.]

[.03] When the Exchange determines that an Obvious Error or Catastrophic Error has occurred and action is warranted under paragraph [(b)](c) or paragraph (d)[(3)] above, the

identity of the parties to the trade will be disclosed to each other in order to encourage conflict resolution.

.03 Limit Up-Limit Down State. During a pilot period set to end on October 23, 2015, an execution will not be subject to review as an Obvious Error or Catastrophic Error pursuant to paragraph (c) or (d) of this Rule if it occurred while the underlying security was in a "Limit State" or "Straddle State," as defined in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the "Limit Up-Limit Down Plan"). Nothing in this provision shall prevent such execution from being reviewed on an Official's own motion pursuant to sub-paragraph (c)(3) of this Rule, or a bust or adjust pursuant to paragraphs (e) through (j) and (l) of this Rule.

.04 [Reserved.] For the purposes of this Rule, to the extent the provisions of this Rule would result in the Exchange applying an adjustment of an erroneous sell transaction to a price lower than the execution price or an erroneous buy transaction to a price higher than the execution price, the Exchange will not adjust or nullify the transaction, but rather, the execution price will stand.

[.05 For the purposes of Rule 975NY, the term Market Maker shall mean an ATP Holder acting as a Market Maker on the Exchange pursuant to Rule 920NY.

.06 For the purposes of Rule 975NY, the term Customer, as defined in Rule 900.2NY(18), shall not include a broker or dealer.]

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