

**Short Form Customer** – does not include broker-dealer or professional customer, for the purposes of this rule

#### Permitted Reporting Time

Submitter	Permitted Time Window
Customer	30 minutes
Non-Customer	15 minutes
Linkage Customer	45 minutes
Linkage Non-Customer	30 minutes

#### Theoretical Price (TP)

Last National Best Bid (NBB) or National Best Offer (NBO) immediately before the trade.

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### Standard Review Considerations

#### At the Open

- If no NBBO just prior to the trade, then the Exchange determines the Theoretical Price.
- If bid / ask differential is **greater or equal** to Minimum Amount below, then Exchange determines price.

Bid at Time of Trade	Minimum Amount
Below 2.00	0.75
2.00 to 5.00	1.25
Above 5.00 to 10.00	1.50
Above 10.00 to 20.00	2.50
Above 20.00 to 50.00	3.00
Above 50.00 to 100.00	4.50
Above 100.00	6.00

If bid / ask differential is **less than** Minimum Amount above, then the Theoretical Price is NBBO.

#### No Valid Quotes

If there are no quotes for comparison purposes, then the Exchange determines the Theoretical Price. Not valid for comparison purposes include:

- Crossed Markets
- Quote where requestor of review resides
- Quotes of an exchange in self help

#### Wide Quotes

- If bid / ask differential is **greater or equal** to Minimum Amount below, but was tighter (within Minimum Amount) for 10 seconds before that, then Exchange determines price.

Bid at Time of Trade	Minimum Amount
Below 2.00	0.75
2.00 to 5.00	1.25
Above 5.00 to 10.00	1.50
Above 10.00 to 20.00	2.50
Above 20.00 to 50.00	3.00
Above 50.00 to 100.00	4.50
Above 100.00	6.00

- If there was no differential less than Minimum Amount, then the Theoretical Price is NBBO.

## Adjust or Bust

- Non-Customer Transactions
  - Where neither party is Customer – Adjust using the following table:

Theoretical Price	Buy Side Adjust – TP+	Sell Side Adjust – TP-
Below 3.00	0.15	0.15
At or Above 3.00	0.30	0.30

- For errors exceeding 50 contracts

Number of Contracts per Execution	Adjustment – TP Plus/Minus
1 – 50	N/A
51 – 250	2 times adjustment amount
251 - 1000	2.5 times adjustment amount
1001 or more	3 times adjustment amount

- Customer Transactions – when at least one party to the transaction is customer, any qualifying transactions will be busted.
- If any request has, in aggregate, 200 or more Customer transactions, and the orders that resulted in such transactions were sent within 2 minutes or less, and at least one party is non-customer, then the Non-Customer adjustments above (adjust with pain) applies to the transactions.

## Catastrophic Errors

- A Catastrophic Error has occurred if the trade is higher or lower the theoretical price by the Minimum Amount:

Theoretical Price	Minimum Amount
Below 2.00	0.50
2.00 to 5.00	1.00
Above 5.00 to 10.00	1.50
Above 10.00 to 20.00	2.00
Above 20.00 to 50.00	2.50
Above 50.00 to 100.00	3.00
Above 100.00	4.00

- Request for a Catastrophic Review must be received by 8:30 a.m. the next business day, OR, for expiring options, 45 minutes after the market close of the same day.
- If deemed an error, an adjustment will occur according to the table below. Should one party be a Customer, and the adjustment price is higher than the buy limit or lower than the sell limit, then bust the trade.

Theoretical Price	Buy Transaction Adjustment – TP Plus	Sell Transaction Adjustment – TP Minus
Below 2.00	0.50	0.50
2.00 to 5.00	1.00	1.00
Above 5.00 to 10.00	1.50	1.50
Above 10.00 to 20.00	2.00	2.00
Above 20.00 to 50.00	2.50	2.50
Above 50.00 to 100.00	3.00	3.00
Above 100.00	4.00	4.00

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## Other Considerations

### Trading Halts

If the underlying is halted, any trades in options that occur will be busted.

### Erroneous Print in the Underlying

If a trade in the underlying is deemed erroneous and as a result is busted, then any resulting option trade at the same time must be busted or adjusted, according to the Adjust or Bust portion above. Any trade executed during the time for which one or more underlying executions are busted, and for 1 second after, qualifies. Same notification time applies as indicated in Standard Review above.

### Erroneous Quote in the Underlying

If an option trade occurs due to a bad quote, then it must be busted or adjusted, according to the Adjust or Bust portion above. Same notification time applies as indicated in Standard Review above.

- Bad quote determination:  
Underlying has a width of at least \$1 and has a width of at least 5x greater than the average quote width for a time period of 2 minutes before and 2 minutes after the quote in question. The average quote width shall be determined by adding the quote widths from sample quotations at regular 15 second intervals during the 4 minute time period above (excluding the quotes in question) and dividing by the number of sample quotes used.

### Stop and Stop Limit Trades

Same notification time applies as indicated in Standard Review above. If a stop or stop limit is triggered by an erroneous print, then the stop or stop limit trades are busted.

## **Appeals**

- Enact a Panel – made up of CRO, one MM, and two EAMs.
- 30 minute time frame to request a Panel.
- Panel may overturn or modify original ruling. This decision is binding.
- Fee assessed if original ruling stands.