



## **Updated Clearly Erroneous Executions Rule 11.270 effective October 1, 2022**

Effective October 1, 2022 and in coordination with all U.S. equities exchanges, Long-Term Stock Exchange, Inc. ("LTSE") has updated the harmonized clearly erroneous execution ("CEE") rule as outlined below.<sup>1</sup> Under the revised rule, CEE reviews have been largely eliminated during the Regular Market Session when Limit Up-Limit Down Price Bands are in effect, except in limited circumstances.

Updated LTSE Rule 11.270 specifies limited circumstances in which CEE reviews will be performed during the Regular Market Session when Price Bands are in effect. Trades executed within Price Bands will stand barring one of the scenarios described below where a CEE review may still occur.

If the execution time of the transaction(s) under review is during the Regular Market Session, the transaction will not be reviewable as clearly erroneous unless the transaction:

- is an NMS Stock that is not subject to the Limit Up/Limit Down ("LULD") Plan;
- was executed at a time when Price Bands under the LULD Plan were not available, or is the result of an LTSE technology or systems issue that results in the transaction occurring outside of the applicable LULD Price Bands pursuant to LTSE Rule 11.270(g), or is executed after the primary listing market for the security declares a regulatory trading halt, suspension, or pause pursuant to LTSE Rule 11.270(i). A transaction subject to review pursuant to this paragraph 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, described in LTSE Rule 11.270(d), by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan ("Percentage Parameters"); or

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<sup>1</sup> Securities Exchange Act Release No. 95883 (September 22, 2022), [87 FR 58885](#) (September 28, 2022).

- involved, in the case of (1) a corporate action or new issue or (2) a security that enters a Trading Pause pursuant to the LULD Plan and resumes trading without an auction, a Reference Price that is determined to be erroneous by an Officer of the LTSE because it clearly deviated from the theoretical value of the security. In such circumstances, the LTSE may use a different Reference Price pursuant to LTSE Rule 11.270(d)(2). A transaction subject to review pursuant to this paragraph 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 new Reference Price by an amount that equals or exceeds the applicable Numerical Guidelines or Percentage Parameters, as applicable depending on whether the security is subject to the LULD Plan.

Questions regarding this RIC can be directed to [marketops@longtermstockexchange.com](mailto:marketops@longtermstockexchange.com).