



RULE  
ADOPTION  
NOTICE

**RAN-06-18**  
**April 12, 2006**

**TO: ETP Holders and Sponsored Participants**

**FROM: Department of Regulatory Policy**

**SUBJECT: Clearly Erroneous Executions**  
**(File No. SR-PCX-2005-119)**

On October 24 2005, NYSE Arca, Inc. (“Exchange”) (f/k/a The Pacific Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposal to amend PCX Rule PCXE Rule 7.10 regarding clearly erroneous executions. The Exchange filed Amendment No 1 to the proposal on October 27, 2005 and the Exchange filed Amendment No 2 on November 9, 2005.

The proposed rule change and amendments were effective upon filing. The Commission published notice of the rule change in the Federal Register on November 18, 2005.

The following is the text of the rule change. Questions regarding this bulletin may be directed to James Draddy at (312) 442-7930.

**Exhibit 5**

**Rule 7**

**Equities Trading**

**Text of the Proposed Rule Change**

(New Text is underscored; deleted text is bracketed)

Rule 7.10. Clearly Erroneous Executions

(a) – (b) – No change.

(c) Review Procedures.

(1) – No change.

(2) If [a party]an ETP Holder 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 under this Rule, including whether a clearly erroneous execution occurred and whether the correct adjustment was made; provided however that the CEE Panel will not review decisions made by an officer under subsection (d) of this Rule if such Officer also determines under subsection (d) 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.

(A) – (B) – No change.

(3) – (4) – No change.

(d) System Disruption and Malfunctions. In the event of any disruption or a malfunction in the use or operation of any electronic communications and trading facilities of the Corporation, or extraordinary market conditions or other circumstances in which the nullification or modification 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 Officer, on his or her own motion, may review such transactions and declare such transactions arising out of the use or operation of such facilities during such period null and void or modify the terms of these transactions if the Officer determines that the transaction(s) is clearly erroneous, or that such actions are necessary for the maintenance of a fair and orderly market or for the protection of investors and the public interest. Absent extraordinary circumstances, any such action of the Officer pursuant to this subsection (d) shall be taken within thirty (30) minutes of detection of the erroneous transaction. Each ETP Holder involved in the transaction shall be notified as soon as practicable, and the ETP Holder aggrieved by the action may appeal such action in accordance with the provisions of subsection (c)(2)-(4).

(e) – No change.

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