



## BNY MELLON

BNY Mellon Capital Markets, LLC

To: BNY Mellon Capital Markets, LLC Customers

From: BNY Mellon Capital Markets, LLC

Date: June 24, 2010

Re: New Single Stock Circuit Breaker Rule

To address possible severe price volatility, as occurred on May 6, 2010, the SEC and FINRA have adopted rules to establish a pilot program to run between June 14, 2010 and December 10, 2010. The Rule will apply during the trading day between 9:45 a.m. and 3:35 p.m. (ET), and will be triggered in all markets when a 10 percent price change (gain or decline) occurs over rolling five-minute intervals for Standard & Poor's 500 index<sup>®</sup> company stocks.

The Rule will require the NYSE, NYSEAmex and NASDAQ (the "Listing Markets" under the Rule) to issue five minute trading pauses for individual securities for which they are the primary listing market under the price change parameters above, and notify the non primary other Exchanges of the pause (the "trading halt"). The other Exchanges and ECNs would then be required to pause trading in that security in their markets for the same five minute period. If the primary market is unable to open the security after the initial five-minute pause (e.g. an order-imbalance or a system issue), non primary Exchange markets can resume trading after the earlier of (i) the re-opening of the primary market or (ii) an additional five minute pause.

Accordingly, for orders that have been routed to a market at the time of a trading halt:

- Customers may cancel and re-enter orders at any time during the trading halt; if no action is taken by the customer, orders will remain in queue;
- New orders, cancels and cancel replacement orders can be entered during the halt, including market and limit orders;
- If the primary listing market does not reopen for trading at the end of the ten minute pause, resumption of trading other than on an exchange may be permitted. FINRA will notify firms via its website at [www.finra.org/traderesumption](http://www.finra.org/traderesumption) if it determines that trading otherwise than on an exchange may resume. If no such notice is provided, then trading otherwise than on an exchange may not resume until the primary listing market has resumed trading.

If you have any questions, please contact your BNY Mellon Capital Markets, LLC representative or refer to FINRA Regulatory Notice 10-30 (June 2010).

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