

Regulatory Information Circular			
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Subject: Obvious Errors involving the Combination Order Book

The ISE is implementing system enhancements that will automatically execute orders on the complex order book against the quotes and orders in the regular market when there is interest available to achieve the net price specified on the complex order or better.

As a result, it will be possible that one leg of a complex order could execute at a price that qualifies as an obvious error under Rule 720. In such a circumstance, the ISE will apply the following principles in obvious error situations:

- We cannot bust only part of a complex order. Therefore, all of the legs of a complex order must be broken or the execution of all legs must stand.
- We cannot bust the execution of orders when the execution price does not qualify as an obvious error. Therefore, when the execution price of one leg qualifies, but the execution price of the other leg(s) does not, the party seeking to bust trades must be willing to take the other side of any orders (both customer and non-customer) in the regular limit order book that were executed with respect to the other leg(s) of the complex order.