

CLEARLY ERRONEOUS TRADE POLICY

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Clearly Erroneous Trade Policy

1. Introduction

If a User of the Level ATS believes that an executed trade was materially inconsistent with the trading market at the time of the trade in that security, it may request a review of such trade(s) by eBX under eBX's Clearly Erroneous Trade Policy.

Upon receipt of a valid User request for review, eBX will review the disputed transaction, applying the guidelines set forth herein and other considerations it deems appropriate. eBX reserves the right to request written documentation relating to the disputed transaction, which is reasonably necessary for use by eBX in resolving the matter. If the transaction is determined to be clearly erroneous, eBX will, in its sole discretion, cancel or modify the executed trade.

Additionally, eBX may, in its own discretion and without any User request, review any transaction effected on the Level ATS to determine whether the nullification or modification of the transaction may be necessary for the maintenance of a fair and orderly market or the protection of investors.

2. Guidelines

eBX may declare a transaction clearly erroneous when the transaction violated the terms of one of the orders executed as a result of a system error or misconfiguration, when the execution of a trade is substantially inconsistent with the trading market conditions of the security at the time of execution or the transaction resulted from a clearly erroneous order. In making such a determination, eBX will review the circumstances that led to the order submission and the operation of the Level ATS system. Simple assertion by a User that it made a mistake in entering an order, or that it failed to pay attention or to update an order, may not be sufficient to establish that a transaction was clearly erroneous. Users are responsible for ensuring that the appropriate price and type of order are entered into Level ATS.

Listed below are the general requirements for a clearly erroneous trade review, consisting of Quantitative and Qualitative Guidelines.

- **QUANTITATIVE GUIDELINES**

A transaction not meeting the minimum price threshold is, except as otherwise noted herein, not considered clearly erroneous. Additionally, a transaction price meeting the minimum price threshold does not automatically trigger a clearly erroneous determination. It only means the transaction is eligible for review. A transaction must equal or exceed the minimum thresholds below:

Execution Price	Reference Value
• Between \$0.00 and \$25.00	10%
• Between \$25.01 and \$50.00	5%
• Greater than \$50.00	3%

The Reference Value will be equal to the consolidated last sale immediately prior to the execution(s) under review. A different reference price may be used by eBX in its sole discretion in the event of relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Value is deemed appropriate by eBX.

- **QUALITATIVE FACTORS**

eBX may consider additional factors in determining whether a transaction is clearly erroneous. These may include, but are not limited to:

- The price of the security;
- News released for the security;
- Suspicious trading activity;
- System performance, including malfunctions or disruptions;
- Locked or crossed markets;
- Trading in the security was recently halted or resumed;
- Volume and volatility for the security;
- Primary market's opening quote or indications;
- Stock-split, reorganization or other corporate action;
- General volatility of market conditions; and
- Other factors and circumstances as the situation may warrant.

The use of the Level ATS by Users constitutes acceptance of eBX's right to break or modify the terms of any trade.

eBX INITIATED REVIEWS

- **SYSTEM DISRUPTION, MALFUNCTIONS OR MISCONFIGURATIONS**

In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of the Level ATS or the misconfiguration of a User session in which the nullification of transactions may be appropriate to protect Users, eBX, on its own motion, may review such transactions and declare such transactions arising out of the operation of such facilities during such period null and void or may adjust a price (e.g., to a price that would have satisfied the terms of both orders or to adjust a price to a price that would not constitute a trade-through price). In such events, the officer or other senior-level employee of eBX may determine that trade nullification or adjustment is necessary, even if the trades do not meet or exceed the Quantitative Guidelines discussed above. eBX will use reasonable efforts to take action under this section by no later than the start of trading on the trading day following the date of the execution(s) under review. Each User involved in the transaction shall be notified as soon as practicable, and the User aggrieved by the action may appeal such action by contacting eBX within 30 minutes of receipt of a decision.

- **OFFICER OR SENIOR EMPLOYEE ACTING ON OWN MOTION**

An officer or other senior-level employee of eBX, acting on its own motion, may review potentially erroneous executions and declare trades null and void or shall decline to take any action in connection with the completed trade(s). In such events, the officer or other senior-level employee of eBX may determine that trade nullification or adjustment is necessary, even if the trades do not meet or exceed the Quantitative Guidelines discussed above. eBX will use reasonable efforts to take action taken under this section by no later than the start of Core Trading on the day following the date of execution(s) under review. When such action is taken independently, each User involved in the transaction shall be notified as soon as practicable by eBX, and the party aggrieved by the action may appeal such action by contacting eBX within 30 minutes of receipt of a decision.

- **SECURITIES SUBJECT TO LIMIT UP-LIMIT DOWN PLAN**

For purposes of this paragraph, the phrase "Limit Up-Limit Down Plan" or "Plan" shall mean the Plan to Address Extraordinary Market Volatility Pursuant to rule 608 of the Securities Exchange Act of 1934, as amended. If, as a result of a technology or systems issue affecting the Level ATS, any transaction occurs outside of the applicable price bands disseminated pursuant to the Plan, an officer or other senior employee of eBX, acting on his or her own motion or at the request of a third party, shall review and declare any such trades null and void. Each User involved in the transaction shall be notified as soon as practicable by eBX, and the User aggrieved by the action may appeal such action by contacting eBX within 30 minutes of receipt of a decision. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of price bands, eBX will make the determination of whether to nullify transactions in accordance with the other sections of these policies.

3. Review Process

Transaction reviews may be instituted by eBX personnel or a User. Users should submit a review request by calling eBX's market operations center at 800-958-4813 or e-mailing eBX at Helpdesk@LevelATS.com. The e-mail should contain the following information:

- User's name;
- Time(s) of the trade(s);
- Security symbol(s);
- Price(s);
- Quantity;
- Contra-broker(s), if the transactions are not anonymous;
- Whether or not User was on the buy side or sell side of the trade;
- Reason review is being sought; and
- Requested resolution (break trade or adjust price).

If the requested resolution is to adjust the price of the trade, please include the requested adjusted price. All requests must be made by an authorized representative of the User. User understands and acknowledges that eBX may forward the contents of the e-mail, with the User's name removed, to the contra parties to the trade. All e-mails will be retained by eBX and may be reviewed by regulatory authorities.

A User's request for review should be submitted immediately after the trade was executed on Level ATS. The User shall make a written request and provide supporting documentation, if any, to eBX (via e-mail) within fifteen (15) minutes of execution of the disputed transaction. If a User submits a request for a review after fifteen (15) minutes, eBX may, in its sole discretion, reject User's request for review. Once a request is submitted, it may not be withdrawn without the consent of both parties to the trade.

4. Trade Review and Determination

When eBX initiates a trade review, it will attempt to notify all parties to the trade via e-mail and/or phone. If the trade(s) under review affect a large number of Users, eBX may instead issue a notice to all Users via email that a series of trades are under review.

A final determination generally will be made within one hour of a request being submitted by a User. In all cases, eBX will make a final determination prior to the opening of the market of the trading day following the request. Level ATS will notify all parties to the trade via e-mail as soon as the final determination has been made.

Users failing to meet the minimum documentation requirements requested by eBX or, absent exigent circumstances, failing to meet the minimum price deviation parameters are not eligible for review. eBX staff will use reasonable efforts to promptly notify the relevant User immediately of any deficiencies in the User's request so that the User can revise and resubmit documentation.

eBX, as noted above, also reserves the right, in its sole discretion, to delete from the consolidated tape(s) any transaction, even if the parties do not agree to cancel or modify the terms of the transaction and/or to review transactions outside the Quantitative Guidelines discussed above, if circumstances warrant such a review.