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New Trading Pause Proposals to Include More Issuers

June 30, 2010 | Client Update

In an attempt to protect a wider range of issuers from the aberrational pricing experienced by many issuers during the "flash crash" of May 6, 2010, the Securities and Exchange Commission ("**SEC**"), the exchanges and the Financial Industry Regulatory Authority ("**FINRA**") proposed on June 30, 2010 to expand previously adopted circuit breakers by approximately 500 additional stocks by including the Russell 1000 index in the pilot, and also to include over 300 ETFs. The proposed expansion includes ETFs that represent the S&P 500 index, the Russell 1000 index, the Nasdaq 100 index and the Dow Jones Industrial Average. The proposed rules will be subject to a 10-day comment period after publication in the Federal Register. If approved, the rules would be in effect on a pilot basis through December 10, 2010.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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