



DATE: January 18, 2013
TO: MIAX Options Exchange Members
RE: System Issue – MIAX Quote Mitigation

The MIAX Options Exchange has identified a system issue related to MIAX quote mitigation where the MIAX Top of Market (ToM) and OPRA data feeds may not have properly updated a bid or offer when the previously displayed bid or offer was subject to mitigation and then subsequently traded or was cancelled. The issue occurred from December 7, 2012 through January 11, 2013 and resulted in the appearance that a bid or offer that was no longer in effect was still in force. While internally the MIAX systems properly reflected the correct MBBO, the external quote indicated that there was still interest available at the filled or cancelled bid or offer price. It should be noted that no erroneous trades occurred as a result of this behavior and these incidents represented less than .01 % of all MIAX MBBO updates. Once the issue was identified, in order to avoid any further issues, the quote mitigation setting was reduced from 10% to 0% on January 14, 2013. See Regulatory Circular 2013-01.

If you have any questions please contact Trading Operations at (609) 897-7302 or TradingOperations@MIAXOptions.com.