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Page 1 of * 30

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2026 - * 052
Amendment No. (req. for Amendments *)

Filing by Texas Stock Exchange LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☑ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☐ Section 19(b)(3)(A) * ☑ Section 19(b)(3)(B) * ☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☑ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

The Exchange proposes to amend TXSE Rule 11.014 to extend its existing LULD-based limits on clearly erroneous review to the period when Overnight Price Bands are in place.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Courtney Last Name * Smith

Title * Assistant General Counsel

E-mail * courtney.smith@txse.com

Telephone * (480) 204-3274 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Texas Stock Exchange LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 11/16/2026

By Courtney Smith
(Name *)

(Title *) Assistant General Counsel

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

COURTNEY JOHNSTON SMITH
Digitally signed by COURTNEY JOHNSTON SMITH
Date: 2026.11.16 15:03:24 -06'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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SR-TXSE-2026-052 19b-4 (23x5 CEE

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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SR-TXSE-2026-052 Exhibit 1 (23x5 C

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

☐ Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

☐ Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add | Remove | View

SR-TXSE-2026-052 Exhibit 5 (23x5 CI

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), and Rule 19b-4 thereunder, Texas Stock Exchange LLC (the "Exchange" or "TXSE") is filing with the Securities and Exchange Commission ("Commission") a proposal to amend TXSE Rule 11.014 to extend its existing LULD-based limits on clearly erroneous review to the period when Overnight Price Bands are in place. The text of the proposed rule change is provided in Exhibit 5.

(b) The Exchange proposes to amend TXSE Rule 11.014 (Clearly Erroneous Executions) in light of the Commission's approval of Overnight Protected Bands under the LULD Plan for 23/5 Trading.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The proposed rule change was approved by Exchange staff pursuant to authority delegated to it by the Board of Directors of the Exchange (the "Exchange Board"). Exchange staff will advise the Exchange Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the proposed rule change. The Exchange intends to implement the proposed rule change on December 6, 2026.

(b) Please refer questions and comments on the proposed rule change to Jeff Brown, General Counsel and Corporate Secretary, (214) 612-0261, or Courtney Smith, Assistant General Counsel, (480) 204-3274.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) Purpose

The Exchange proposes to amend TXSE Rule 11.014 ("Clearly Erroneous Executions") in light of the Commission's approval of Overnight Protected Bands under the LULD Plan for 23/5 Trading.

Background

In conjunction with the industry's plans for the introduction of trading 23 hours a day, 5 days a week ("23/5 Trading"), the Operating Committee of the Plan to Address Extraordinary Market Volatility ("LULD Plan") filed proposed Amendment 27 to the LULD Plan, which proposed to establish price band protections during overnight trading hours ("Overnight Price Bands").[1] The Operating Committee proposed that the Overnight Price Bands would initially be temporary static bands 20% above and below two reference points, and that after implementation, the Operating Committee would evaluate the performance of such Overnight Price Bands and propose appropriate changes in a new plan amendment.[2] On August 5, 2026, the Commission approved the proposal.[3]

In light of the Commission's approval of these changes to the LULD Plan, the Exchange now proposes several amendments to TXSE Rule 11.014 regarding Clearly Erroneous Executions. In general, the rule describes the process a market participant may use to request cancellation of a transaction that was "clearly erroneous." The current rule's central premise is that if LULD Price Bands under the LULD Plan were available and correct at the time the transaction was executed, the transaction is not eligible for

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1 See Securities Exchange Act Release No. 105596 (June 1, 2026), 91 FR 33774 (June 4, 2026) (File No. 4-631) (Notice of Filing of 27th Amendment to the National Market System Plan).

2 Id.

3 See Securities Exchange Act Release No. 106042 (August 5, 2026), 91 FR 51515 (August 10, 2026) (File No. 4-631) (Order Granting Approval of the 27th Amendment to the National Market System Plan to Address Extraordinary Market Volatility to Establish Temporary Price Band Protections in Overnight Trading).

clearly erroneous review. Specifically, TXSE Rule 11.014(c)(1) currently provides that "[i]f the execution time of the transaction(s) under review is during Regular Trading Hours, the transaction will not be reviewable as clearly erroneous" except in certain limited circumstances, including when (A) the transaction is in an NMS stock that is not subject to the LULD Plan (e.g., rights and warrants), (B) the transaction was executed at a time with LULD Price Bands were unavailable or trading should have been prevented due to a regulatory halt or other halt, or (C) several other limited circumstances.[4] In approving the existing version of the rule, the Commission noted that restricting clearly erroneous review in this way during times when LULD Price Bands were in effect was "consistent with the Act and will further the goal of providing greater certainty to market participants that trades executed within the Price Bands will stand and not be broken. . . . Thus, the proposal is designed to limit the potential discordance between the LULD mechanism and CEE review process."[5]

Currently, LULD Price Bands are available only during Regular Trading Hours,[6] meaning that the restrictions on clearly erroneous review described above apply only during the Regular Trading Hours. With the introduction of Overnight Price Bands, the Exchange now proposes to extend the existing restrictions on clearly erroneous review to the period when Overnight Price Bands are in place. This proposed change would be consistent with the Commission's rationale in approving the current version of the rule

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4 See TXSE Rule 11.014(c)(1)(A), (B), and (C).

5 See Securities Exchange Act Release No. 95658 (September 1, 2022), 87 FR 55060 at 55063 (September 8, 2022) (SR-CboeBZX-2022-037) (Order Approving a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, to Amend BZX Rule 11.17, Clearly Erroneous Executions).

6 See TXSE Rule 1.005(z). The term "Regular Trading Hours" shall mean the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

because it would limit any potential discordance between the LULD mechanism and CEE review in the overnight trading session, providing greater certainty to market participants that trades executed with the Overnight Price Bands will stand and not be broken.

Proposed Changes to TXSE Rule 11.014(c)(1)

To implement this change, the Exchange proposes to add several definitions to TXSE Rule 11.014(c)(1). First, the Exchange would add that the term "LULD Protected Hours" includes Regular Trading Hours and "Overnight Protected Hours" defined in Section VIII of the LULD Plan. Second, the Exchange would define "LULD Price Bands" or "Price Bands" to mean the Price Bands defined in Section V of the LULD Plan (i.e., the Price Bands that apply during Regular Trading Hours) and "Overnight Price Bands" as defined in Section VIII of the LULD Plan (i.e., the Price Bands that apply to the Overnight Protected Hours from 9:00 p.m. ET through 4:00 a.m. ET).

The Exchange proposes to amend the current first sentence of TXSE Rule 11.014(c)(1) to replace the phrase "Regular Trading Hours" with "LULD Protected Hours," to provide that "[i]f the execution time of the transaction(s) under review is during LULD Protected Hours, the transaction will not be reviewable as clearly erroneous . . . ." This change would extend the LULD-based restrictions on clearly erroneous review currently in place during Regular Trading Hours to the Overnight Protected Hours.

The Exchange also proposes to amend TXSE Rule 11.014(c)(1)(B)'s reference to "Percentage Parameter" to incorporate the Percentage Parameter that applies to Overnight Protected Hours. The amended provision would provide for the applicability of clearly erroneous review if the price of the transaction to buy (sell) that is the subject of the

clearly erroneous complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan (with respect to the Price Bands that apply during Regular Trading Hours) or the "Overnight Percentage Parameter defined in Section VIII of the LULD Plan" (with respect to Overnight Protected Hours).

Proposed Changes to TXSE Rule 11.014(c)(2), (d)(3), and (f)

As noted above, current TXSE Rule 11.014(c)(1)(A) permits clearly erroneous review even during Regular Trading Hours when the transaction in question is in an NMS Stock that is not subject to the LULD Plan, i.e., rights and warrants. Such transactions are reviewed for clearly erroneous status using the procedures set out in TXSE Rule 11.014(c)(2), including the Numerical Guidelines set out in the table accompanying TXSE Rule 11.014(c)(2)(A). The Exchange now proposes to introduce a similar provision regarding transactions in NMS Stocks not subject to the LULD Plan that are executed during the Overnight Protected Hours; such transactions would be subject to the same Numerical Guidelines as transactions occurring in the Pre-Market and Post-Market Sessions.[7]

The heading of TXSE Rule 11.014(c)(2) addresses "[r]eview of transactions occurring during the Pre-Market Session, Post-Market Session or eligible for review pursuant to paragraph (c)(1)(A)." The Exchange proposes to replace the phrase "eligible for review pursuant to paragraph (c)(1)(A)" (which, in the current rule, means transactions executed during Regular Trading Hours in NMS Stocks not subject to the

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7 See TXSE Rules 1.005(u) and (v). The term "Pre-Market Session" shall mean the time between 8:00 a.m. and 9:30 a.m. Eastern Time. The term "Post-Market Session" shall mean the time between 4:00 p.m. and 5:00 p.m. Eastern Time.

LULD Plan) with "during LULD Protected Hours in NMS Stocks not subject to the LULD Plan." This proposed language would cover transactions in NMS Stocks not subject to the LULD Plan in Regular Trading Hours and expand the same treatment to transactions executed in NMS Stocks not subject to the LULD Plan during Overnight Protected Hours. As such, the proposed change is not novel.

The Exchange proposes to make the same change everywhere else such language appears in the rule – namely, in the text of paragraphs (c)(2)(A), (c)(2)(B), (c)(2)(C), (c)(2)(D), (d)(3), and (f).[8] In each case, the Exchange proposes to replace the phrase "transactions occurring during the Pre-Market Session or Post-Market Session or eligible for review pursuant to paragraph (c)(1)(A)" with "transactions occurring during the Early or Late Trading Session or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan."

The Exchange also proposes to make corresponding changes to the headings of the table accompanying TXSE Rule 11.014(c)(2)(A). The Exchange proposes to change the heading of the second column from "Regular Trading Hours Numerical Guidelines for transactions eligible for review pursuant to paragraph (c)(1)(A)" to "Numerical Guidelines for Transactions Executed During Regular Trading Hours in NMS Stocks Not Subject to the LULD Plan." This change would simply replace the shorthand "eligible for review pursuant to paragraph (c)(1)(A)" with the fuller description that such transactions

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[8] TXSE Rule 11.014(c)(2)(A)-(D) specifies general rules for applying clearly erroneous review to transactions where such review is not precluded by paragraph (c)(1). TXSE Rule 11.014(d)(3) specifies conditions where the Exchange may use a revised Reference Price for the purpose of clearly erroneous review in certain transactions where such review is not precluded by paragraph (c)(1). TXSE Rule 11.014(f) specifies that for transactions where clearly erroneous review is not precluded by paragraph (c)(1), an officer may initiate clearly erroneous review on his or her own motion.

are "executed during Regular Trading Hours in NMS Stocks not subject to the LULD Plan," and is not a substantive change.

Similarly, the Exchange proposes to change the heading of the third column from "Pre-Market and Post-Market Session Numerical Guidelines" to "Numerical Guidelines for Transactions Executed During the Pre-Market and Post-Market Session or During Overnight Protected Hours in NMS Stocks Not Subject to the LULD Plan." The proposed change addresses the fact that transactions executed during Overnight Protected Hours in NMS Stocks not subject to the LULD Plan are eligible for clearly erroneous review – just as are transactions in NMS Stocks not subject to the LULD Plan executed during Regular Trading Hours – but at the Numerical Guidelines that apply outside of Regular Trading Hours.

Together, these proposed changes would extend the eligibility of clearly erroneous review for transactions in NMS Stocks not subject to the LULD Plan that is currently in place during Regular Trading Hours to the Overnight Protected Hours, and would apply the Commission's recent approval of Overnight Price Bands to the clearly erroneous executions rule.

Implementation

The Exchange understands that the other national securities exchanges and FINRA will also file similar proposals, the substance of which are identical to this proposal. The Exchange proposes that this rule change would become operative at the commencement of 23/5 Trading, which is scheduled to commence industry-wide on December 6, 2026.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.[9] Specifically, the proposal is consistent with Section 6(b)(5) of the Act[10] because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest.

The Exchange believes that the proposed change is consistent with just and equitable principles of trade because it extends the basic premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct. Currently, LULD Price Bands are available only during Regular Trading Hours, meaning that the restrictions on clearly erroneous review described above apply only during Regular Trading Hours. With the introduction of Overnight Price Bands, the Exchange believes that extending such restrictions on clearly erroneous review to the period when Overnight Price Bands are in place would remove impediments to and perfect the mechanism of a free and open market and a national market system by enhancing the transparency and consistency of the rule.

The resulting rule would thus extend the LULD-related limits on clearly erroneous review that are applicable in Regular Trading Hours to the overnight period. The proposed change would also be consistent with the Commission's rationale in

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9 15 U.S.C. 78f(b).

10 15 U.S.C. 78f(b)(5).

approving the current version of the rule because it would limit any potential discordance between the LULD mechanism and CEE review in the overnight trading session, providing greater certainty to market participants that trades executed with the Overnight Price Bands will stand and not be broken.[11]

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes the proposal is consistent with Section 6(b)(8) of the Act[12] in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather than impacting competition, the proposed change would simply extend the basic premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct. The Exchange understands that the other national securities exchanges and FINRA will also file similar proposals, the substance of which are identical to this proposal. Thus, the proposed rule change will help to ensure consistency across SROs without implicating any competitive issues.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Stockholders, Participants or Others

Not applicable.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

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11 See 87 FR 55060 at 55063, supra note 5.

12 15 U.S.C. 78f(b)(8).

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act[13] and Rule 19b-4 thereunder.[14] The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest; (ii) will not impose any significant burden on competition; and (iii) by its terms, will not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as designated by the Commission.

The Exchange believes that the proposed change is a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4,[15] because the proposed changes do not significantly affect the protection of investors or the public interest. Instead, they will further the interests of investors and the public by extending the basic premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct, thereby enhancing the transparency and consistency of the rule. This proposed change is also non-controversial because it would be consistent with the Commission's rationale in approving the current version of the rule, in that it would limit any potential discordance between the LULD mechanism and CEE review in the

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13 15 U.S.C. 78s(b)(3)(A)(iii).

14 17 CFR 240.19b-4(f)(6).

15 Id.

overnight trading session and provide greater certainty to market participants that trades executed with the Overnight Price Bands will stand and not be broken.[16]

The proposed changes will not impose any significant or undue burden on competition. The proposed change would simply extend the basic premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct. The Exchange understands that the other national securities exchanges and FINRA will also file similar proposals, the substance of which are identical to this proposal. Thus, the proposed rule change will help to ensure consistency across SROs without implicating any competitive issues.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective so that the Exchange may implement the proposed changes on December 6, 2026, in connection with the industry's adoption of 23/5 Trading. Waiver of the 30-day operative delay will allow for the consistent application of the clearly erroneous rule across all exchanges and avoid inconsistent outcome when 23/5 Trading begins on December 6, 2026. The Exchange notes that other exchanges, including NYSE American LLC ("NYSE American") and MEMX LLC ("MEMX"), have submitted similar proposals for the inclusion of Overnight Price Bands with the commencement of 23/5 Trading and market participants would be harmed if the rules of all primary listing markets are not aligned when 23/5 Trading begins. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend

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[16] See 87 FR 55060 at 55063, supra note 5.

such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

(c) Not applicable.

(d) Not applicable.

8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based on SR-NYSEAMER-2026-080 and differs only where necessary to conform to Exchange terminology.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1: Completed Notice of the Proposed Rule Change for publication in the Federal Register.

Exhibit 2 – 4: Not applicable.

Exhibit 5: Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-TXSE-2026-052]

[Insert Date]

Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend TXSE Rule 11.014 to Extend its Existing LULD-Based Limits on Clearly Erroneous Review to the Period When Overnight Price Bands are in Place

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on [insert date], Texas Stock Exchange LLC (the "Exchange" or "TXSE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b-4(f)(6) thereunder.[4] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend TXSE Rule 11.014 ("Clearly Erroneous Executions") in light of the Commission's approval of Overnight Protected Bands under the LULD Plan for 23/5 Trading.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A)(iii).

4 17 CFR 240.19b-4(f)(6).

The text of the proposed rule change is available on the Commission's website (https://www.sec/gov/rules/sro.shtml) at the Exchange's website (https://www.txse.com/reuglations/rules-filings), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend TXSE Rule 11.014 ("Clearly Erroneous Executions") in light of the Commission's approval of Overnight Protected Bands under the LULD Plan for 23/5 Trading.

Background

In conjunction with the industry's plans for the introduction of trading 23 hours a day, 5 days a week ("23/5 Trading"), the Operating Committee of the Plan to Address Extraordinary Market Volatility ("LULD Plan") filed proposed Amendment 27 to the LULD Plan, which proposed to establish price band protections during overnight trading

hours ("Overnight Price Bands").[5] The Operating Committee proposed that the Overnight Price Bands would initially be temporary static bands 20% above and below two reference points, and that after implementation, the Operating Committee would evaluate the performance of such Overnight Price Bands and propose appropriate changes in a new plan amendment.[6] On August 5, 2026, the Commission approved the proposal.[7]

In light of the Commission's approval of these changes to the LULD Plan, the Exchange now proposes several amendments to TXSE Rule 11.014 regarding Clearly Erroneous Executions. In general, the rule describes the process a market participant may use to request cancellation of a transaction that was "clearly erroneous." The current rule's central premise is that if LULD Price Bands under the LULD Plan were available and correct at the time the transaction was executed, the transaction is not eligible for clearly erroneous review. Specifically, TXSE Rule 11.014(c)(1) currently provides that "[i]f the execution time of the transaction(s) under review is during Regular Trading Hours, the transaction will not be reviewable as clearly erroneous" except in certain limited circumstances, including when (A) the transaction is in an NMS stock that is not subject to the LULD Plan (e.g., rights and warrants), (B) the transaction was executed at a time with LULD Price Bands were unavailable or trading should have been prevented due to a regulatory halt or other halt, or (C) several other limited circumstances.[8] In

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5 See Securities Exchange Act Release No. 105596 (June 1, 2026), 91 FR 33774 (June 4, 2026) (File No. 4-631) (Notice of Filing of 27th Amendment to the National Market System Plan).

6 Id.

7 See Securities Exchange Act Release No. 106042 (August 5, 2026), 91 FR 51515 (August 10, 2026) (File No. 4-631) (Order Granting Approval of the 27th Amendment to the National Market System Plan to Address Extraordinary Market Volatility to Establish Temporary Price Band Protections in Overnight Trading).

8 See TXSE Rule 11.014(c)(1)(A), (B), and (C).

approving the existing version of the rule, the Commission noted that restricting clearly erroneous review in this way during times when LULD Price Bands were in effect was "consistent with the Act and will further the goal of providing greater certainty to market participants that trades executed within the Price Bands will stand and not be broken. . . . Thus, the proposal is designed to limit the potential discordance between the LULD mechanism and CEE review process."[9]

Currently, LULD Price Bands are available only during Regular Trading Hours,[10] meaning that the restrictions on clearly erroneous review described above apply only during the Regular Trading Hours. With the introduction of Overnight Price Bands, the Exchange now proposes to extend the existing restrictions on clearly erroneous review to the period when Overnight Price Bands are in place. This proposed change would be consistent with the Commission's rationale in approving the current version of the rule because it would limit any potential discordance between the LULD mechanism and CEE review in the overnight trading session, providing greater certainty to market participants that trades executed with the Overnight Price Bands will stand and not be broken.

Proposed Changes to TXSE Rule 11.014(c)(1)

To implement this change, the Exchange proposes to add several definitions to TXSE Rule 11.014(c)(1). First, the Exchange would add that the term "LULD Protected Hours" includes Regular Trading Hours and "Overnight Protected Hours" defined in Section VIII of the LULD Plan. Second, the Exchange would define "LULD Price

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9 See Securities Exchange Act Release No. 95658 (September 1, 2022), 87 FR 55060 at 55063 (September 8, 2022) (SR-CboeBZX-2022-037) (Order Approving a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, to Amend BZX Rule 11.17, Clearly Erroneous Executions).

10 See TXSE Rule 1.005(z). The term "Regular Trading Hours" shall mean the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

Bands" or "Price Bands" to mean the Price Bands defined in Section V of the LULD Plan (i.e., the Price Bands that apply during Regular Trading Hours) and "Overnight Price Bands" as defined in Section VIII of the LULD Plan (i.e., the Price Bands that apply to the Overnight Protected Hours from 9:00 p.m. ET through 4:00 a.m. ET).

The Exchange proposes to amend the current first sentence of TXSE Rule 11.014(c)(1) to replace the phrase "Regular Trading Hours" with "LULD Protected Hours," to provide that "[i]f the execution time of the transaction(s) under review is during LULD Protected Hours, the transaction will not be reviewable as clearly erroneous . . . ." This change would extend the LULD-based restrictions on clearly erroneous review currently in place during Regular Trading Hours to the Overnight Protected Hours.

The Exchange also proposes to amend TXSE Rule 11.014(c)(1)(B)'s reference to "Percentage Parameter" to incorporate the Percentage Parameter that applies to Overnight Protected Hours. The amended provision would provide for the applicability of clearly erroneous review if the price of the transaction to buy (sell) that is the subject of the clearly erroneous complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan (with respect to the Price Bands that apply during Regular Trading Hours) or the "Overnight Percentage Parameter defined in Section VIII of the LULD Plan" (with respect to Overnight Protected Hours).

Proposed Changes to TXSE Rule 11.014(c)(2), (d)(3), and (f)

As noted above, current TXSE Rule 11.014(c)(1)(A) permits clearly erroneous review even during Regular Trading Hours when the transaction in question is in an NMS

Stock that is not subject to the LULD Plan, i.e., rights and warrants. Such transactions are reviewed for clearly erroneous status using the procedures set out in TXSE Rule 11.014(c)(2), including the Numerical Guidelines set out in the table accompanying TXSE Rule 11.014(c)(2)(A). The Exchange now proposes to introduce a similar provision regarding transactions in NMS Stocks not subject to the LULD Plan that are executed during the Overnight Protected Hours; such transactions would be subject to the same Numerical Guidelines as transactions occurring in the Pre-Market and Post-Market Sessions.[11]

The heading of TXSE Rule 11.014(c)(2) addresses "[r]eview of transactions occurring during the Pre-Market Session, Post-Market Session or eligible for review pursuant to paragraph (c)(1)(A)." The Exchange proposes to replace the phrase "eligible for review pursuant to paragraph (c)(1)(A)" (which, in the current rule, means transactions executed during Regular Trading Hours in NMS Stocks not subject to the LULD Plan) with "during LULD Protected Hours in NMS Stocks not subject to the LULD Plan." This proposed language would cover transactions in NMS Stocks not subject to the LULD Plan in Regular Trading Hours and expand the same treatment to transactions executed in NMS Stocks not subject to the LULD Plan during Overnight Protected Hours. As such, the proposed change is not novel.

The Exchange proposes to make the same change everywhere else such language appears in the rule – namely, in the text of paragraphs (c)(2)(A), (c)(2)(B), (c)(2)(C),

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[11] See TXSE Rules 1.005(u) and (v). The term "Pre-Market Session" shall mean the time between 8:00 a.m. and 9:30 a.m. Eastern Time. The term "Post-Market Session" shall mean the time between 4:00 p.m. and 5:00 p.m. Eastern Time.

(c)(2)(D), (d)(3), and (f).[12] In each case, the Exchange proposes to replace the phrase "transactions occurring during the Pre-Market Session or Post-Market Session or eligible for review pursuant to paragraph (c)(1)(A)" with "transactions occurring during the Early or Late Trading Session or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan."

The Exchange also proposes to make corresponding changes to the headings of the table accompanying TXSE Rule 11.014(c)(2)(A). The Exchange proposes to change the heading of the second column from "Regular Trading Hours Numerical Guidelines for transactions eligible for review pursuant to paragraph (c)(1)(A)" to "Numerical Guidelines for Transactions Executed During Regular Trading Hours in NMS Stocks Not Subject to the LULD Plan." This change would simply replace the shorthand "eligible for review pursuant to paragraph (c)(1)(A)" with the fuller description that such transactions are "executed during Regular Trading Hours in NMS Stocks not subject to the LULD Plan," and is not a substantive change.

Similarly, the Exchange proposes to change the heading of the third column from "Pre-Market and Post-Market Session Numerical Guidelines" to "Numerical Guidelines for Transactions Executed During the Pre-Market and Post-Market Session or During Overnight Protected Hours in NMS Stocks Not Subject to the LULD Plan." The proposed change addresses the fact that transactions executed during Overnight Protected Hours in NMS Stocks not subject to the LULD Plan are eligible for clearly erroneous review – just

[12] TXSE Rule 11.014(c)(2)(A)-(D) specifies general rules for applying clearly erroneous review to transactions where such review is not precluded by paragraph (c)(1). TXSE Rule 11.014(d)(3) specifies conditions where the Exchange may use a revised Reference Price for the purpose of clearly erroneous review in certain transactions where such review is not precluded by paragraph (c)(1). TXSE Rule 11.014(f) specifies that for transactions where clearly erroneous review is not precluded by paragraph (c)(1), an officer may initiate clearly erroneous review on his or her own motion.

as are transactions in NMS Stocks not subject to the LULD Plan executed during Regular Trading Hours – but at the Numerical Guidelines that apply outside of Regular Trading Hours.

Together, these proposed changes would extend the eligibility of clearly erroneous review for transactions in NMS Stocks not subject to the LULD Plan that is currently in place during Regular Trading Hours to the Overnight Protected Hours, and would apply the Commission's recent approval of Overnight Price Bands to the clearly erroneous executions rule.

Implementation

The Exchange understands that the other national securities exchanges and FINRA will also file similar proposals, the substance of which are identical to this proposal. The Exchange proposes that this rule change would become operative at the commencement of 23/5 Trading, which is scheduled to commence industry-wide on December 6, 2026.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.[13] Specifically, the proposal is consistent with Section 6(b)(5) of the Act[14] because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general,

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13 15 U.S.C. 78f(b).

14 15 U.S.C. 78f(b)(5).

protect investors and the public interest.

The Exchange believes that the proposed change is consistent with just and equitable principles of trade because it extends the basic premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct. Currently, LULD Price Bands are available only during Regular Trading Hours, meaning that the restrictions on clearly erroneous review described above apply only during Regular Trading Hours. With the introduction of Overnight Price Bands, the Exchange believes that extending such restrictions on clearly erroneous review to the period when Overnight Price Bands are in place would remove impediments to and perfect the mechanism of a free and open market and a national market system by enhancing the transparency and consistency of the rule.

The resulting rule would thus extend the LULD-related limits on clearly erroneous review that are applicable in Regular Trading Hours to the overnight period. The proposed change would also be consistent with the Commission's rationale in approving the current version of the rule because it would limit any potential discordance between the LULD mechanism and CEE review in the overnight trading session, providing greater certainty to market participants that trades executed with the Overnight Price Bands will stand and not be broken.[15]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes the proposal is consistent with Section 6(b)(8) of the

[15] See 87 FR 55060 at 55063, supra note 5.

Act[16] in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather than impacting competition, the proposed change would simply extend the basic premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct. The Exchange understands that the other national securities exchanges and FINRA will also file similar proposals, the substance of which are identical to this proposal. Thus, the proposed rule change will help to ensure consistency across SROs without implicating any competitive issues.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not:

(i) significantly affect the protection of investors or the public interest;

(ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the

[16] 15 U.S.C. 78f(b)(8).

Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (https://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include SR-TXSE-2026-052 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-TXSE-2026-052. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (https://www.sec.gov/rules/sro.shtml). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-TXSE-2026-052 and should be submitted on or before [INSERT DATE

21 DAYS FROM PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

Sherry R. Haywood,

Assistant Secretary.

[17] 17 CFR 200.30-3(a)(12).

EXHIBIT 5
(additions are underlined; deletions are [bracketed])

Rules of Texas Stock Exchange LLC

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CHAPTER 11. TRADING RULES

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Rule 11.014. Clearly Erroneous Executions

(a) – (b) No change.

(c) Clearly Erroneous Review.

(1) *Review of transactions occurring during LULD Protected Hours [Regular Trading Hours].* For purposes of this TXSE Rule, "LULD Protected Hours" includes the Regular Trading Hours and Overnight Protected Hours as defined in Section VIII of the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act ("LULD Plan"). "LULD Price Bands" or "Price Bands" means the Price Bands as defined in Section V of the LULD Plan and Overnight Price Bands as defined in Section VIII of the LULD Plan. If the execution time of the transaction(s) under review is during LULD Protected Hours [Regular Trading Hours], the transaction will not be reviewable as clearly erroneous unless the transaction:

(A) No change.

(B) was executed at a time when Price Bands under the LULD Plan were not available, or is the result of an Exchange technology or systems issue that results in the transaction occurring outside of the applicable LULD Price Bands pursuant to paragraph (g) or is executed after the primary listing market for the security declares a regulatory trading halt, suspension or pause pursuant to paragraph (i). A transaction subject to review pursuant to this paragraph shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price, described in paragraph (d) below, by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan or Overnight Percentage Parameter defined in Section VIII of the LULD Plan ("Percentage Parameters"); or

(C) No change.

(2) *Review of transactions occurring during Pre-Market Session or Post-Market Session or during LULD Protected Hours in NMS Stocks Not Subject to the LULD Plan [eligible for review pursuant to paragraph (c)(1)(A)].*

(A) Subject to the additional factors described in paragraph (c)(2)(C) below, a transaction executed during the Pre-Market or Post-Market Session, or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan [eligible for review pursuant to paragraph (c)(1)(A)] shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below.

Reference Price, Circumstance or Product:	**Regular Trading Hours Numerical Guidelines in NMS Stocks Not Subject to the LULD Plan [for transactions eligible for review pursuant to paragraph (c)(1)(A)] (Subject transaction's % difference from the Reference Price):**	**Pre-Market and Post-Market Session Numerical Guidelines or During Overnight Protected Hours in NMS Stocks Not Subject to the LULD Plan (Subject transaction's % difference from the Reference Price):**
Greater than $0.00 up to and including $25.00	10%	20%
Greater than $25.00 up to and including $50.00	5%	10%
Greater than $50.00	3%	6%
Multi-Stock Event – filings involving five or more, but less than twenty, securities whose executions occurred within a period of five minutes or less	10%	10%
Multi-Stock Event – filings involving twenty or more securities whose executions occurred within a period of five minutes or less	30%, subject to the terms of paragraph (c)(2)(B) below	30%, subject to the terms of paragraph (c)(2)(B) below
Leveraged ETF/ETN securities	N/A	Regular Trading Hours Numerical Guidelines multiplied by the leverage multiplier (i.e., 2x)

(B) Multi-Stock Events Involving Twenty or More Securities. Multi-Stock Events involving twenty or more securities may be reviewable as clearly erroneous if they occur during the Pre-Market Session or Post-Market Session or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan [are

eligible for review pursuant to paragraph (c)(1)(A)]. During Multi-Stock Events, the number of affected transactions may be such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, the Exchange may use a Reference Price other than consolidated last sale. To ensure consistent application across market centers when this paragraph is invoked, the Exchange will promptly coordinate with the other market centers to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. The Exchange will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by the Exchange and other markets consistent with this paragraph.

(C) Additional Factors. Except in the context of a Multi-Stock Event involving five or more securities, an Official may also consider additional factors to determine whether an execution is clearly erroneous, provided the execution occurred during the Pre-Market Session or Post-Market Session or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan [is eligible for review pursuant to paragraph (c)(1)(A)]. Such additional factors include but are not limited to, system malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an initial public offering, whether the security was subject to a stock split, reorganization or other corporate action, overall market conditions, Pre-Market or Post-Market Session executions, validity of the consolidated tape trades and quotes, consideration of primary market indications and executions inconsistent with the trading pattern in the stock. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(D) Outlier Transactions. In the case of an Outlier Transaction during the Pre-Market Session or Post-Market Session or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan [that is eligible for review pursuant to paragraph (c)(1)(A)], an Official may, in his or her sole discretion, and on a case-by-case basis, consider requests received pursuant to paragraph (b) of this TXSE Rule after thirty (30) minutes, but not longer than sixty (60) minutes after the transaction in question, depending on the facts and circumstances surrounding such request.

(i) – (ii) No change.

(d) Reference Price.

For the purposes of this TXSE Rule 11.014, the "Reference Price" referred to in paragraphs (c)(1) and (c)(2) above will be equal to the consolidated last sale immediately prior to the execution(s) under review except for:

(1) – (2) No change.

(3) in other circumstances such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest, provided that such circumstances occurred during the Pre-Market Session or Post-Market Session or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan [the execution(s) are eligible for review pursuant to paragraph (c)(1)(A)].

(e) No change.

(f) Officer Acting on Own Motion.

An officer of the Exchange or senior level employee designee, acting on his or her own motion, may review potentially erroneous transactions occurring during the Pre-Market Session or Post-Market Session or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan [that are eligible for review pursuant to paragraph (c)(1)], 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 of the Exchange or other senior level employee designee will rely on the provisions of paragraph (c)(1) and (c)(2) of this TXSE Rule. Absent extraordinary circumstances, any such action of the officer of the Exchange or such other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the officer of the Exchange or other senior level employee designee must be taken by no later than the start of Regular Trading Hours on the trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(g) – (i) No change.

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