
SEC Announces Proposed Circuit Breaker Rules for Individual Stocks

Date: 05/25/10

On May 18, 2010, the Securities and Exchange Commission ("SEC") announced that the national securities exchanges and the Financial Industry Regulatory Authority ("FINRA") proposed rules that would temporarily cease trading in individual stocks if the price moves 10 percent or more in a five-minute period. During a pilot period that would last through December 10, 2010, the proposed rules would apply only to individual stocks in the S&P 500 Index. The proposed rules are a reaction to the market disruption of May 6, 2010, in which 30 stocks in the S&P 500 Index fell at least 10 percent in the span of five minutes.

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