

OPTIONS EXCHANGE			
Regulatory Information Circular			
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Subject: Exclusion of LEAPS from CMM Quoting Requirements

As allowed under ISE Rule 506 and effective October 19, 2009, ISE will exclude all LEAPS¹ from the Competitive Market Maker (“CMM”) bid/ask spread requirements and continuous quoting obligations found in Rules 803(b)(4), 804(e)(2), and 904(a)(2).

LEAPS should not be included when calculating the number of series a CMM is required to quote under rules 804(e)(2) and 904(a)(2). They neither increase the number of series required to be quoted nor do they count toward fulfilling continuous quoting obligations.

Primary Market Maker’s (“PMM”) quoting obligations in their assigned names will not change. PMMs will still be required to continuously quote 100% of the series, including LEAPS, in each assigned class and must meet all pre-open and intra-day spread requirements. LEAPS can still be quoted up to two times the maximum pre-open and intra-day spread.

¹ For the purpose of this RIC, LEAPS are defined as equity options with more than 9 months left until expiration and index options with more than 12 months left until expiration.