

Regulatory Information Circular – 2000-8

To: ISE Market Makers

Date: August 28, 2000

Re: Spread Requirements for GTW

The ISE is initiating trading in Gateway Partners (GTW) today. This security is being trade in decimals as part of the SEC’s initial phase-in of decimal pricing across the markets. The minimum trading increments for GTW will be five cents for options priced at \$3 and below, and ten cents for options priced above \$3.

ISE Rule 803(b)(4) contains spread parameters for market maker quotations that are in fractions. To accommodate the trading of GTW in decimals, the following adjustments to the spread requirements contained in the Rule have been made:

Option Price	Fractional Maximum Spread in Rule 803(b)(4)	Decimal Maximum Spread for GTW
Below \$2	1/4	25 cents
\$2 to \$5	3/8	40 cents
5 1/8 to 10	1/2	50 cents
10 1/8 to 20	3/4	80 cents
20 1/8 and above	1	\$1

If you have any questions, please contact Pat Gillespie at 212-897-0130, Associate Director, Trading Analysis, or Jim Sampson, Director Market Surveillance and Regulation at 212-897-0235.