

OPTIONS EXCHANGE			
Regulatory Information Circular			
<b>Circular number:</b>	2008-29	<b>Contact:</b>	Russ Davidson, Head of Market Surveillance
<b>Date:</b>	June 16, 2008	<b>Telephone:</b>	(646) 805-1857

**Subject: OCC Rule Change – Expiration Automatic Exercise Threshold Reduction**

The Options Clearing Corporation (“OCC”) received approval to reduce the automatic exercise thresholds for equity options (including options on Exchange Traded Funds (“ETFs”)).<sup>1</sup> The OCC will implement this change beginning with the June 2008 expiration, effective Saturday, June 21, 2008.

Under the new expiration threshold, equity and ETF options will be exercised automatically if they are in-the-money by \$0.01 or more for all account types (i.e. customer, firm, and market maker). The previous threshold was \$0.05 for all account types.

As a result of this change, all notifications of standing instructions currently on file with the ISE Market Surveillance Department will be considered void. Going forward, member firms wishing to notify the ISE of new standing instructions may do so by submitting instructions to:

International Securities Exchange  
 Market Surveillance Department  
 Attn: Willie Wong  
 60 Broad Street  
 New York, NY 10004  
  
 Fax: 212-425-4890  
 E-Mail: [surveillance@ise.com](mailto:surveillance@ise.com)

Please contact me with any questions.

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<sup>1</sup> The automatic exercise thresholds for options on indices will remain the same. Indices will continue to be exercised if they are \$0.01 or more in-the-money.