

Regulatory Information Circular – 2002-03

To: All ISE Members

Date: March 11, 2002

Re: Rule Change Notice – Liberalization of Spread Order Rules

As of Thursday, March 14, 2002, members will be allowed to enter “non-standard” ratio spreads. Instead of being limited to 1 to 1 (100%), 1 to 2 (50%), and 2 to 3 (66%), members will be allowed to enter any ratio between 50% and 100%, but no lower. To enter a spread with a corresponding ratio of less than 50% would be a violation of ISE rules.

For example, a member could request a trade where they purchase 93 contracts and sell 99 contracts as a spread (94%). However, they would not be allowed to purchase 10 contracts and sell 100 as a spread (10%).

No changes to the ISE systems were necessary to support this rule change.

Any questions regarding the foregoing may be directed to the attention of Jim Sampson, Vice President Market Supervision at 212/897-0235.