
Regulatory Information Circular – 2002-22

To:	All ISE Market Makers
From:	Jim Sampson – Vice President, Market Supervision
Date:	December 27, 2002
Re:	Market Maker Obligations – Continuous Quotations

ISE rules delineate specific quoting obligations for both Primary and Competitive Market Maker membership types.

- PMMs must enter continuous, two-sided quotations in all options classes listed on the exchange to which they are appointed, and in all the listed series of each class (including LEAPS®), from the opening rotation through the closing rotation daily.
- Competitive Market Makers (“CMM”) must enter continuous, two-sided quotations in at least 60% of the options classes in the CMMs assigned group, and in all of the series of each class quoted (including LEAPS®), from the opening rotation through the closing rotation daily.
- Additionally, CMMs that have enter a quote or an order in an option series in a class to which they are assigned must quote continuously in all the options series within that same expiration month throughout the day. If the CMM entered a quote or order in the current expiring month, the quotation obligation continues daily through the duration of the expiration cycle.

Market makers who cannot meet the quoting obligations prescribed above must apply to the ISE for an exemption. Failure to maintain continuous quotations may subject the member to disciplinary action.

For further information, please contact me at 212/897-0235.