

OPTIONS EXCHANGE

Regulatory Information Circular

Circular number:	2010-105	Contact:	Russ Davidson, Head of Market Surveillance
Date:	December 14, 2010	Telephone:	(646) 805-1857

Subject: Bid/Ask Differentials for NDX and RUT Options

ISE Rule 803(b)(4) requires market makers to maintain bid/ask spreads as tight as .25 prior to the opening rotation and no wider than \$5 at other times. The Exchange has determined to provide the following bid/ask differential relief in *both* Nasdaq 100 Index Options (NDX) and Russell 2000 Index Options (RUT).

Prior to the Opening Rotation

- If the bid is less than \$2, the bid/ask spread may be up to \$.75 wide.
- If the bid is from \$2 to \$4.90, the bid/ask spread may be up to \$1 wide.
- If the bid is from \$5 to \$9.90, the bid/ask spread may be up to \$1.50 wide.
- If the bid is from \$10 to \$19.90, the bid/ask spread may be up to \$3 wide.
- If the bid is from \$20 to \$39.90, the bid/ask spread may be up to \$6 wide.
- If the bid is from \$40 to \$79.90, the bid/ask spread may be up to \$12 wide.
- If the bid is from \$80 to \$199.90, the bid/ask spread may be up to \$18 wide.
- If the bid is \$200 or greater, the bid/ask spread may be up to \$22 wide.

Following the Opening Rotation

- If the bid is under \$20, the bid/ask spread may be up to \$5.
- If the bid is from \$20 to \$39.90, the bid/ask spread may be up to \$6 wide.
- If the bid is from \$40 to \$79.90, the bid/ask spread may be up to \$12 wide.
- If the bid is from \$80 to \$199.90, the bid/ask spread may be up to \$18 wide.
- If the bid is \$200 or greater, the bid/ask spread may be up to \$22 wide.

This relief is granted through the December 2011 Expiration Cycle.