

OPTIONS EXCHANGE			
Regulatory Information Circular			
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Subject: Amendment to ISE Rule 720 - Obvious and Catastrophic Errors

Pursuant to SR-ISE-2009-10 and effective March 25, 2009, ISE Rule 720 has been changed.

Under the Obvious and Catastrophic Errors rule, transactions in options series quoted no bid at a nickel, i.e., \$0.05 offer, were nullified provided at least three strikes below (for calls) or above (for puts) in the same options class were quoted zero bid at a nickel at the time of execution. A “no bid” or “zero bid” option refers to an option where the bid price is \$0.00. The rule change eliminated the portion of the rule that required quotes to have a nickel offer, so that the requirement is simply that the option series be quoted no bid. In addition, the number of strikes above or below the options series in question in which there also must be no bid was reduced from three to two.

As is currently required, buyers must notify ISE’s market operations group within the designated timeframe to seek relief.