

OPTIONS EXCHANGE			
Regulatory Information Circular			
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Date:	December 1, 2010	Telephone:	(646) 805-1857

Subject: Professional Orders – Aggregation of Accounts

Under ISE Rules, Electronic Access Members are required to represent non-broker-dealer orders as either Priority Customer Orders or Professional Orders. Under ISE Rule 100(a)(37A), a Priority Customer is any person or entity that (i) is not a broker-dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). Orders for the account of all other non-broker-dealer customers must be represented as Professional Customer Orders on the ISE.

When calculating the number of orders placed by a person or entity, Electronic Access Members must aggregate all beneficial accounts of the person or entity so that designation as a Professional cannot be avoided by simply spreading trading activity over multiple accounts. Moreover, Electronic Access Members cannot disaggregate a person’s or entity’s account(s) when calculating the number of orders placed.

Example – Customer A is a non-broker-dealer limited liability company with three LLC members.

- All orders placed for the account(s) of Customer A must be aggregated when calculating the number of orders placed for Customer A.
- That Customer A may have an account(s) organized into sub-accounts or in some other manner to disaggregate/segregate trading activity of, and/or sub-allocate profits/losses to, the various LLC members is not relevant.

Please refer to Regulatory Circular 2009-06 and Regulatory Circular 2009-179 for additional guidance regarding how to properly represent customer orders on the ISE.

If you have any additional questions, please contact Russ Davidson at the number above.