



Regulatory Information Circular			
Circular Number:	2004-09	Contact:	Jim Sampson, VP Market Supervision
Date:	August 18, 2004	Telephone:	212/897-0235

Subject: Rule Change – Liberalization of Multi-Legged Order Rules

The International Securities Exchange has received SEC approval to relax the maximum ratio for multi-legged orders. As of Monday, August 23, 2004, members will be allowed to enter “non-standard” multi-legged ratio orders with ratios of up to 3:1. Members will be allowed to enter any ratio between 33% and 100%, but no lower. To enter a spread with a corresponding ratio of less than 33% would be a violation of ISE rules.

To illustrate, prior to this change a member could enter a multi-legged ratio order to purchase 93 contracts and sell 99 contracts as a spread (94%), but were limited in that they could not enter an order to buy 40 contracts and sell 100 contracts (40%) as the permitted ratio for multi-legged orders was capped at 2:1 (50%). This change permits a member to enter any multi-legged order with a ratio of 3:1 (33%) or higher (example: buy 66 and sell 200).

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