

Regulatory Information Circular			
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Subject: Bid/Ask Differentials for RUT Options

ISE Rule 803(b)(4) requires market makers to maintain bid/ask spreads no wider than \$5. In consideration of the amount of deep in-the-money Russell 2000 Index (RUT) options with expirations out to 2008, and in accordance with Rule 803(b)(4), the Exchange has determined to provide the following bid/ask differential relief for options bid \$40 or higher.

If the bid is under \$40, the bid/ask spread may be up to \$5.

If the bid is \$40 and greater, the bid/ask spread may be up to \$10 wide.

Prior to the opening rotation, Rule 803(b)(4) requires market makers to maintain quotations that are narrower than \$5. The bid/ask differential listed above for options bid \$40 or greater will be applicable prior to the opening. For options bid less than \$40, the following bid/ask differentials will apply prior to the opening:

If the bid is less than \$2, the bid/ask spread may be up to \$.50 wide.

If the bid is from \$2 to \$4.90, the bid/ask spread may be up to \$.80 wide.

If the bid is from \$5 to \$9.90, the bid/ask spread may be up to \$1.00 wide.

If the bid is from \$10 to \$19.90, the bid/ask spread may be up to \$1.60 wide.

If the bid is from \$20 to \$39.90, the bid/ask spread may be up to \$2.00 wide.

This relief is granted through the June 2007 Expiration Cycle.