

OPTIONS EXCHANGE			
Regulatory Information Circular			
Circular number:	2009-165	Contact:	Russ Davidson, Head of Market Surveillance
Date:	June 10, 2009	Telephone:	(646) 805-1857

Subject: Implementation Schedule for Priority Customer Orders and Professional Orders

The ISE will be implementing two new order categories:

- A “Priority Customer Order” is defined under Rule 100(a)(37A) as a person or entity that (i) is not a broker or 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).
- A “Professional Order” means an order that is for the account of a person or entity that is not a Priority Customer.

As discussed more fully in Regulatory Information Circular 2009-06 (January 30, 2009), in order to properly represent orders entered on the Exchange according to the new definitions, Electronic Access Members are required to indicate whether Public Customer Orders are “Priority Customer Orders” or “Professional Orders.” To comply with this requirement, Electronic Access Members are required to review their customers’ activity on at least a quarterly basis to determine whether orders that are not for the account of a broker or dealer should be represented as Priority Customer Orders or Professional Orders. Orders for any customer that had an average of more than 390 orders per day during any month of a calendar quarter must be represented as Professional Orders for the next calendar quarter.

The ISE will implement the new order categories in two phases:

Phase 1: Trading activity occurring during the third quarter 2009 to be reviewed to determine whether orders that are not for the account of a broker or dealer should be represented as Priority Customer Orders or Professional Orders.

Phase 2: Starting with the fourth quarter 2009, members to represent orders not for the account of a broker or dealer as priority Customer Orders or Professional Orders.