



Memo #1671-08

M E M O R A N D U M

Date: September 22, 2008
To: Members and Member Firms
From: Options Surveillance
Re: Options on the NASDAQ 100 Index (NDX) and Russell 2000 Index (RUT)

The NASDAQ OMX PHLX has granted quote spread relief for NDX and RUT options through October 17, 2008.

The modified bid/ask differentials for the opening and open outcry are as follows:

- If the bid is less than \$2, the bid/ask spread may be up to .75 cents wide.
- If the bid is from \$2 to \$4.90, the bid/ask spread may be \$1 wide.
- If the bid is from \$5 to \$9.90, the bid/ask spread may be \$1.50 wide.
- If the bid is from \$10 to \$19.90, the bid/ask spread may be \$3 wide.
- If the bid is from \$20 to \$39.90, the bid/ask spread may be \$6 wide.
- If the bid is from \$40 to \$79.90, the bid/ask spread may be \$12 wide.
- If the bid is from \$80 to 199.90, the bid/ask spread may be \$18 wide.
- If the bid is greater than \$200, the bid/ask spread may be \$22 wide.

The modified bid/ask differentials for electronic quotes are as follows:

- If the bid is under \$20, the bid/ask spread may be up to \$5 wide.
- If the bid is from \$20 to \$39.90, the bid/ask spread may be up to \$6 wide.
- If the bid is from \$40 to \$79.90, the bid/ask spread may be up to \$12 wide.
- If the bid is from \$80 to \$199.90, the bid/ask spread may be up to \$18 wide.
- If the bid is from \$200 or greater, the bid/ask spread may be up to \$22 wide.

This relief was granted by the Options Exchange Officials (OEO's) in accordance with PHLX Rule 1014. However, OEO's will continue to monitor the activity in the underlying securities of these options, and will modify the bid/ask differentials in the respective options accordingly. This extended relief is granted through the October 2008 expiration cycle unless withdrawn by the Options Exchange Officials prior to that time.

Any questions regarding this memorandum may be directed to On-Floor Surveillance at (215) 496-5295 or onfloorsurv@nasdaqomx.com.