ISE rules delineate the following specific market maker obligations for the opening rotation:

- The opening rotation is conducted by the Primary Market Maker ("PMM"), who is charged with ensuring that it is handled in a fair and orderly manner. The opening rotation must be held promptly following the opening of the underlying security in the primary market where it is traded.

- PMMs must enter continuous, two-sided quotations in all options classes listed on the exchange to which they are appointed, and in all of the listed series of each class (including LEAPS®), from the opening rotation through the closing rotation daily.

- Competitive Market Makers ("CMM") must enter continuous, two-sided quotations in at least 60% of the options classes in the CMMs assigned group, and in all of the series of each class quoted (including LEAPS®). Additionally, CMMs must participate in the opening rotation.

- All market makers quotations, both during the opening rotation and throughout the trading day, must be compliant with the bid/ask spread requirements delineated in ISE Rule 803.\(^1\)

If a market maker is experiencing difficulty and cannot meet these obligations, it must notify Surveillance immediately and seek an appropriate exemption. Failure to meet the above requirements is a violation of the ISE’s rules and will subject the member to potential disciplinary action.

For further information, please contact me at 212/897-0235.

\(^1\) The ISE is currently conducting a pilot-program that allows market makers to quote with a $5 maximum bid/ask spread in certain option classes. However, ISE market makers may only take advantage of this pilot-program following the opening rotation. Please see Regulatory Information Circular 2003-08 for additional details.