

Regulatory Circular No. #94-24

Date: March 17, 1994
To: Members and Member Firms
From: The Market Performance Committee
Re: Options on the NASDAQ 100 Index (NDX)

The Market Performance Committee, in accordance with Rule 8.7(b)(iv), has determined to modify the bid/ask differentials as they apply to NDX options. The modified bid/ask differentials are as follows:

If the bid is less than \$2, the bid/ask spread may be up to 3/8 point wide.
If the bid is from \$2 to \$4 7/8, the bid/ask spread may be 1/2 point wide.
If the bid is from \$5 to \$9 7/8, the bid/ask spread may be 3/4 point wide.
If the bid is from \$10 to \$19 7/8, the bid/ask spread may be 1 point wide.
If the bid is from \$20 to \$39 7/8, the bid/ask spread may be 2 points wide.
If the bid is above \$40, the bid/ask spread may be 3 points wide.

The above bid/ask differentials are the maximum allowable, and in many instances, may be narrower.

This modification to Rule 8.7(b)(iv) is effective as of the opening on March 17, 1994, and should only be considered temporary. NDX option trading will be continuously reviewed by the Market Performance Committee.

Any questions regarding this memorandum may be directed to Daniel Hustad at (312) 786-7715.