

Regulatory Circular RG 95-67

Date: July 26, 1995
To: Equity Trading Crowds
From: Equity Floor Procedure Committee
Re: Adding New Strike Prices in Equity Option Classes - Exchange Rule 5.5

Exchange Rule 5.5 - Option Contracts Open for Trading, Interpretation .06 states that the Exchange may add additional series of option contracts up to two strike prices above and two strike prices below the current price of the underlying security in unusual market conditions. The Exchange is capable of adding these new strike prices intra-day.

If there is significant news or other circumstances which result in unusual market conditions, and a market-maker would like additional series added in an equity option class intra-day or the following morning if the news or other circumstance occurs after the close, he should contact Market Services at 786-7351. Market Services will add the new strike prices if they are in accord with Interpretation .06 above and:

if, for multiply listed classes, the majority of exchanges or the primary market based on customer volume, determines to list the new strike prices; and

if the requested new strike prices appear reasonable based on the price or anticipated price of the underlying security; and

if there is at least one market-maker who is willing to trade the new strike prices.

Market Services will add the new strike prices following appropriate notification to the membership and Exchange officials of the new strike prices. This notification generally takes fifteen minutes. Members should be aware that auto-quote will not be available for strike prices added intra-day until the following day and these intra-day strikes will be on a call up screen on the day they are added.

If you have questions concerning this matter contact an Equity Floor Procedure Committee member or Pat Jones in Market Services at 786-7373.