

# Trader Update

**Date:** August 21, 2009  
**Audience:** NYSE Arca Options Participants  
**Subject:** Options Listing Policies and Procedures (OLPP)

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## Summary

The Securities and Exchange Commission has approved Amendment # 3 to the Options Listing Policies and Procedures Plan ("OLPP"), which limits the range of strike prices available to list for each equity or ETF class based on the price of the underlying. The limitations are imposed on all of the options exchanges, and have been agreed to by the Options Clearing Corporation.

The purpose of the Amendment is to provide a reasonable limit to the number of series available, and thus slow the growth in quote traffic.

Effective August 20, 2009, if the price of the underlying is \$20 or less, the Exchange will not list strikes more than 100% above or below the underlying. If the price of the underlying is greater than \$20, the Exchange will not list strikes more than 50% above or below the price of the underlying.

Examples:

- 1) XYZ is trading at \$18.77 100% above is \$37.54  
Strikes may be listed up to \$35, and, if in the 2 ½ pt strike program, \$37.50
- 2) ZXY is trading at \$31.25 50% above is \$46.87  
50% below is \$15.63  
Strikes may be listed from \$17.50 to \$45.

The range of strikes is based on the daily high/low of prices reported by all national securities exchanges. Please note that the range does not affect the limitations of the \$1 Strike Price Program, which limits \$1 Strikes to no greater than \$5 away from the previous close.

Each exchange is permitted 5 exceptions per year to the limitation for underlying securities trading above \$20. Because of the small number of exceptions permitted, the Exchange will only designate an issue for exemption if the trading activity both nationally and on the Exchange warrants the designation.

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## Contact Info:

Questions regarding the Plan Amendment may be directed to Peter Armstrong (415) 393-4232 or Sam Veraflor (415) 393-7972.

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