

# Trader Update

**Date:** February 25, 2010  
**Audience:** NYSE Arca Option Participants  
**Subject:** Pending Changes To Flex Option Terms

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## Highlights:

As part of the Option Symbology Initiative (OSI), the industry is moving from fractional strike prices to decimal strike prices. In order to accommodate this, NYSE Arca will be modifying our FLEX trading procedures and clearing systems as further described below.

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## Summary :

Presently, strike prices for FLEX options are expressed as fractions rounded to the nearest  $1/8^{\text{th}}$  of a point or \$.125. On March 5, 2010, in order to comply with the OSI, NYSE Arca will no longer permit the creation of a new FLEX option series with “fractional” or  $1/8^{\text{th}}$  point strike prices. Instead, all strike prices must be limited to 2 places to the right of the decimal rounded to the nearest penny.

Any positions established prior to March 5, 2010 that involve a  $1/8^{\text{th}}$  point strike price will continue to be traded until the open interest has been closed or expires.

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## Contact Info:

Questions regarding this circular can be directed to Silvia Ramirez at 415-3934139

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