

1. 2.50 Minimum for Initial Naked Call and Naked Put Requirements

There will be a 2.50/share minimum requirement for all naked puts and naked calls in the new system, for both initial and maintenance requirements.

2. Only European Style Settlement Option Strategies Allowed in Type 1

In accordance with federal regulations, customers are prohibited from holding American style option strategies, with the exception of long options and covered calls, in the cash account. European style settlement option strategies, however, are allowed.

3. In the Money Covered Put and Covered Call Requirements

In the money covered Calls will be held at the strike price, but the in the money amount will be deducted from the margin equity. In the money covered puts will be held at the stock requirement plus the in the money amount.

4. Option Values Excluded from Margin Equity Calculations

Customers will be switched to 'equity' calculations, whereby option values are excluded from margin equity calculations. Buying Power will increase as a result in accounts holding certain spreads.

5. Option Strategies Cannot be Held Across Account Types

No option strategy (with the exception of covered puts and reverse conversions) can be held across account types. For positions to be paired, they must be in the same account type.

6. New Concentration Requirements

Concentration Requirements will be calculated based on the size of a customer's position in relation to the other positions in the customer's account. When a position comprises a certain percentage of the value in the margin account, that position will be held at a higher requirement. The requirement schedule is as follows:

Percentage of Net Absolute Value of Margin Positions	Concentrated Requirement %
< 25%	Standard Requirement
25%-35%	30%
35%-50%	40%
>50%	50%