



**Boston Options Exchange Regulation LLC
Regulatory Circular 2008-04**

TO: BOX Participants

FROM: BOX Regulation LLC/BSE Regulatory Services

DATE: March 19, 2008

SUBJECT: Equity Option Position and Exercise Limit Increase

The Securities and Exchange Commission ("SEC") has approved a significant revision to BOX Trading Rules Chapter III, Section 7 and Section 9 by granting permanent approval to two pilot programs that increase the position and exercise limits for equity option contracts and for option contracts on the iShares Russell 2000 Index Fund ("IWM") and on the PowerShares QQQ Trust ("QQQQ"). The two pilot programs were previously scheduled to expire on March 1, 2008.

Set forth in the below chart are the old limits and the new permanent limits.

Old Limits	New Permanent Limits
13,500 contracts	25,000 contracts
22,500 contracts	50,000 contracts
31,500 contracts	75,000 contracts
60,000 contracts	200,000 contracts
75,000 contracts	250,000 contracts
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75,000 contracts (IWM)	500,000 contracts (IWM)
300,000 contracts (QQQQ)	900,000 contracts (QQQQ)

The position and exercise limits for options on the DIAMONDS Trust ("DIA") and the Standard and Poor's Depository Receipts Trust ("SPY") are 300,000 contracts.

Please review this information with your compliance department. If you have any questions regarding this information contact Joe Dalton at (617) 235-2317 or Bruce Goodhue at (617) 235-2022.