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## **The Boston Options Exchange Adopts ‘Make or Take’ Pricing Model**

### ***Innovation Continues to the Benefit of Customers***

BOSTON, August 28, 2007 – The Boston Options Exchange (BOX) announced today that it will implement the ‘make or take’ transaction fee pricing model for classes included in the penny pilot, subject to SEC approval.

“The new ‘make or take’ model will help make BOX *the* destination to trade in pennies,” said Scott Morris, chief executive officer (CEO) at BOX. “We expect it will further reduce spreads – making it even more competitive compared to the other exchanges.”

BOX’s ‘make or take’ pricing structure will reward its participants by compensating them for providing liquidity and will charge a fee when liquidity is taken. This pricing structure will apply to classes currently quoted in pennies. Transactions that occur in BOX’s price improvement auction (PIP) are exempt.

“We expect that BOX market makers will be incented to make finer pricing under this fee structure,” continued Morris. “BOX was the first to trade in pennies, first to operate under a price and time priority model (without the traditional ‘payment for order flow’ model or specialist structure) and first Exchange to offer standardized execution quality statistics. BOX will build its market share by continuing to develop creative ways to deliver value to the industry.”

The ‘make or take’ pricing structure proposed by BOX will offer .30 cents per executed contract to market makers that post liquidity and .25 cents per contract to all other liquidity providers. Liquidity takers will be charged .45 cents per contract.

The Boston Options Exchange Group, LLC (BOX) was established in February 2002 by Boston Stock Exchange, Inc. (BSE), Bourse de Montréal, Inc. and Interactive Brokers Group LLC. BOX’s equity partners are among the most important options firms in the US: Citigroup, Credit Suisse First Boston, Interactive Brokers, JP Morgan, Morgan Stanley, UBS and Citadel Derivatives Group LLC. BOX is an all-electronic equity

derivatives market and was created as an alternative to the existing market models. BOX launched trading in February 2004. For more information, see BOX website: [www.bostonoptions.com](http://www.bostonoptions.com).

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