CBOE

CHICAGO BOARD OPTIONS EXCHANGE

Date: April 14, 2000   Regulatory Circular RG00-64

To: Designated Primary Market Makers
         Market Makers

From: MTS Committee
         Trading Systems Support

Re: Training Program for DPMs

The MTS Committee has determined that the Exchange staff should conduct a training program for DPMs concerning the use of Exchange systems, equipment, and DPM responsibilities in this regard.

The program will be structured to review each CBOE system utilized by the DPMs - AutoQuote, EBOOK, RCN configuration, ROS, and PAR. A thorough explanation will be provided with questions following. <u>All</u> DPM designees and DPM staff members are required to be present and participate in the areas of the training program that pertain to their current or future functions with the DPM. Following the program, each DPM will be required to identify to the Exchange at least two DPM designees or DPM staff members who are fully proficient in using each system. Additionally, when a DPM adds or changes personnel, the DPM must train those people to become proficient in operating the systems at the DPM station that are relevant to their functions with the DPM. DPMs or DPM personnel who fail to participate in the training program may be subject to summary fines or other disciplinary action pursuant to CBOE Rule 6.20(e).

The training session for a DPM will take place at 7:15 a.m. at the DPM's trading station, unless an alternate time is requested by the DPM. Each session will take approximately 30 minutes. DPMs will be advised of the dates and times for their respective training session in advance of each session.

Market-makers are welcome to attend the training session at their trading stations.

Questions regarding training should be directed to Daniel Hustad (312) 786-7715 or to Carole Zylius at (312) 786-7174.

The undersigned DPM certifies to CBOE that the DPM personnel identified below are fully proficient in operating the applicable systems and the functions listed below for that system.

AQV Functions

1)	Select a class on the modeller.
2)	Select a calculation base - European, Black, or Cox Ross - and the underlying piece on which to base the calculation - Average Last sale, Bid, Ask, or manual.
3)	Select and enable a whole class, specific months or individual series?
4)	Adjust the interest rate for a series, a month, or a whole class.
5)	Set the volatility for a class, month or series.
6)	Set a lean for a series.
7)	Adjust spread parameters – check series spreads.
8)	If desired set the underlying bias.
9)	Adjust dividends for all quarters or individually.
10)	Determine which series can be set to the width of the stock.
11)	Set the appropriate series to the width of the stock and add or subtract a tick.
12)	Identify the AQV ID number.
13)	Identify series selected 0n/off

Names of the DPM Personnel Proficient in Operating System (DPM must list at least 2 individuals): _____   _____

PAR Workstation Functions

1)	Turn the workstation on/off.
2)	Log on/off switch broker.
3)	Create a new profile.
4)	Add/delete/change an existing profile.
5)	View <u>history</u> to check trades or check contra brokers
6)	Read the screen
7)	Adjust the execution price.
8)	Sort and save complex orders i.e. stop/aon.
9)	Print an order.
10)	Identify the PAR printer and the printer ID number.
11)	Work a cxl/cxl replace.
12)	Sort classes on the workstation.
13)	View stop orders by one class and by all classes.
14)	View PAR Workstation ID number

Names of the DPM Personnel Proficient in Operating System (DPM must list at least 2 individuals): _____   _____

ROS Functions

1)   Log on to RAES/ROS.
2)   Change a RAES eligible class to RAES/ROS eligibility.
3)   Add a symbol to the log in screen and make it ROS eligible only.
4)   Verify that MMs are logged onto ROS.
5)   Sort ROS classes.
6)   Send the AQ value to ROS.
7)   Verify that AQ was sent and that value is correct (average, last, bid, ask, manual).
8)   Select a class on ROS and check the detail screen.
9)   Make adjustments to the AQ value and verify on ROS.
10)   Make AQ adjustments to individual series and send.
11)   Lock the class and recheck detail screen.
12)   Explain what needs to be done when a STOP sign appears.

Names of the DPM Personnel Proficient in Operating System (DPM must list at least 2 individuals): _____ _____

RCN Functions

1)   Log on.
2)   Identify the corresponding overhead screen with the file.
3)   Save an existing file.
4)   Create a new screen.
5)   Add/delete months and/or strikes.
6)   Change the header or ticker symbol or recap.
7)   Change the screen type from a single listed class to a multi-listed class.
8)   Display more than one underlying or symbol.
9)   Verify a configuration on the Sample screen.
10) Send configuration to the overhead.

Names of the DPM Personnel Proficient in Operating System (DPM must list at least 2 Individuals): _____ _____

E-BOOK

Extensive E-Book training is provided by the CBOE. All DPMs must have 2 employees or temporary CBOE staff who attended the E-Book classes.

Names of the DPM Personnel Proficient in Operating System (DPM must list at least 2 Individuals): _____   _____

General Operation Issues

1)   Station operation time schedule 7:45:00 - 3:45:00
2)   Post checklist completed by 8:00 A.M.
3)   Capable of loading paper into printers.
4)   Provide detailed information on Help Desk calls.

Name of DPM

_____
Printed Name of DPM Principal

_____
Signature of DPM Principal

_____
Date