

Date: August 9, 2000  
To: Membership  
From: Index Market Performance Committee  
Re: Blanket Appointment Covering CBOE Mini-NDX (MNX) Index Options

In order to provide optimum support for the newly listed CBOE Mini-NDX (MNX) options, the Index Market Performance Committee, by authority of Exchange Rule 8.3(c), has determined that as of August 14, 2000, the MNX class of options will become an additional component of each market maker's appointment. This means that any contract executed for the account of a market maker in MNX options will be recorded as a contract in that market maker's appointed classes. The blanket appointment of MNX options is an additional appointment and does not replace or otherwise change the current appointments of any market maker. The blanket appointment of MNX options only, will be effective through February 28, 2001, at which time any market maker wishing to continue trading MNX options on a regular basis will be required to select MNX as one of his or her regular station appointments.

As a reminder, a blanket appointment to any security in no way modifies a market maker's obligation under Rules 8.1 or 8.7 to execute transactions in person and not through the use of orders.

Additionally, it should be noted that RAES trades in MNX options will be governed by the provisions of Exchange Rule 8.16. Therefore there is no provision mandating that a market maker establish a history of trading in the product prior to signing onto RAES.

Any questions regarding the treatment of MNX options as they relate to a market makers obligations under Rules 8.1, 8.3 or 8.7 may be directed to any member of the Index Market Performance Committee or to Daniel Hustad at 786-7715.