

Regulatory Circular RG01-45

DATE: April 6, 2001

TO: All Market Makers

FROM: The Department of Market Regulation

RE: Market-Maker Position Limit Exemptions

Please be reminded that Exchange Rule 4.11, Interpretations and Policies .05 states that position limit exemption requests must be submitted **no later than 1:00 p.m. (CT).** The 1:00 p.m. (CT) cutoff time has been established to afford ample time to assemble an Exemption Committee review panel and compile the necessary documentation for exemption review packets. Market-Makers should make every effort to submit requests by this deadline. Please be aware that the Committee recognizes that under certain market conditions, Market-Makers may be uncertain as to whether they may need to submit an exemption request at 1:00 p.m. (CT). Should this be the case, verbal notification must be made to either **Michael Felty at 786-7504 or Michael Baser 786-7077** no later than 1:00 p.m. (CT) that a written request **may** be forthcoming. In the event that it is later determined that an exemption is not necessary, the Market-Maker may simply withdraw the request. Additionally, please be reminded that those Market-Makers who require a continuance of their exemption following expiration are to submit such requests **no later than 1:00 p.m. (CT) on the Thursday preceding expiration.** All written exemption requests should be **delivered directly** to either Michael Felty or Michael Baser of the Department of Market Regulation located on the 7th floor of the Exchange.

Additionally, please be reminded that Rule 4.11, Interpretations and Policies .05(c) also states that instant exemption requests will be **considered** "in extraordinary situations, such as an order imbalance, an off-floor executable order in the crowd or position limit restrictions of Market-Makers who are near limits **intraday.**" Members are to be advised that the Committee does not grant instant exemptions on the basis that a Market-Maker merely failed to submit an exemption request the previous day.

Finally, please be reminded that any Market-Maker who has submitted a request for a position limit exemption must provide the Committee with an approximate end of day position. Inasmuch as positions often change significantly throughout the course of the day, this information will enable the Committee to more accurately determine the amount of the increase, if any, to be granted. **Approximate end of day positions are to be provided by contacting the Department of Market Regulation at 786-7984 or one of the staff members listed above immediately following the close of trading on the day of the exemption request.**

Thank you for your cooperation.

(RG98-06, RG99-17; Reissued)