



400 S. La Salle
Chicago, IL 60605

Date: April 17, 2001

Regulatory Circular RG 01-50

To: CBOE Members and Member Firms

From: Equity Floor Procedure Committee (EFPC)

Re: Dissemination of Quotes with Size for Equity Options

At the meeting on Thursday, April 12, 2001 the Equity Floor Procedure Committee approved the dissemination of equity option quotes with size to OPRA, effective Wednesday April 25, 2001, pursuant to the following procedures:

All market quotes must be disseminated with a size.

The disseminated size will be the firm quote size. This size must be no less than the RAES size except in cases where the book improves the crowd market quote, or for series not on RAES.

For series not on RAES, the disseminated size will be at least 10.

Where the book improves the crowd market quote, the firm quote size will be the greater of the book size or 10 contracts. (However, the disseminated size will be the book size only.) For example, if the book contains 1-9 contracts, the firm size will be 10. If the book contains 11 contracts, the firm size will be 11.

If the book matches the crowd market quote, the book size and the crowd size (again, at least as large as the RAES size) will be aggregated. For example, if the book contains 1 contract, and the crowd quote has a size of 50, matching the RAES size, then the disseminated size will be 51.

All sizes represented by the book will be "dynamic". As trades or cancels reduce the book, the disseminated book size will automatically decrease. As orders at that price are added to the book, the disseminated book size will automatically increase. **Crowd sizes are not dynamic and will not automatically adjust as trades occur at that price.**

In all cases, the firm size for broker-dealer orders (including orders for foreign broker-dealers) has been established by the Equity Floor Procedure Committee to be 1 contract, regardless of the disseminated size.

If the DPM/crowd chooses to disseminate **a size greater than the RAES size**, the DPM/crowd **must be good for that size for customer orders.**

The disseminated crowd size will not include any non-booked orders. Brokers can update the market, but the size should not exceed the RAES size.

Note: A future systems enhancement will provide Book Market Indicators to OPRA. In cases where the book either improves or matches the crowd market, a "BOOK MARKET INDICATOR" will be disseminated to OPRA along with the CBOE quote.

If you have any questions, please contact Anthony Montesano at 312-786-7365 or Carole Zylus at 312-786-7174.