

Regulatory Circular RG02-106

Date: November 27, 2002

To: Exchange Membership

From: Department of Market Regulation

Re: Equity Option Post Telephone Policy

This circular is a reminder to members of certain provisions of the Exchange's Equity Option Telephone Policy, contained in Rule 6.23, which governs the use of member wires from the Floor and the use of telephones at equity option trading posts. Under the policy, persons in equity option trading crowds may have access to outside telephone lines and may receive telephone orders directly at equity posts from locations outside the Exchange, subject to certain requirements. **Specifically**, registered Exchange market-makers may enter orders during any telephone call to the equity option posts, whether the call was placed by the market-maker from on or off the floor to a broker in the crowd or whether a broker in the crowd placed the call to the Exchange market-maker. Orders of all other market participants (broker-dealers, customers, away market-makers) may be entered over the outside telephone lines to the equity option posts only during outgoing telephone calls that are initiated at the equity option posts.

It should also be noted that only those individuals who are properly qualified in accordance with Chapter IX of the Rules of the Exchange, and all other applicable rules and regulations, may accept orders from public customers pursuant to Exchange rules.

Questions concerning the equity option post telephone policy should be directed to Karen Calvin at 786-7759.