**CBOE**
CHICAGO BOARD OPTIONS EXCHANGE

Date:        June 26, 2003                    Regulatory Circular RG#03-45

To:          Membership

From:        Equity Market Development and Market Performance Committee

Re:          Implementation of one-up market


Beginning on June 30, 2003, CBOE Autoquote systems will automatically display a one-up market when the primary market for the underlying security reports a trade outside of its disseminated quote (including any Liquidity Quote) or disseminates a locked or an inverted market. The one-up market will be disseminated <u>only</u> for as long as the errant quote is displayed or until the print comes within the quoted markets or until the user manually resends an updated size.  A roll out schedule for systems implementation will be as follows:

Post 11                 -        Monday, June 30, 2003
Posts 1, 2, 3, 4        -        Tuesday, July 1, 2003
Posts 5, 6, 7, 9, 10    -        Wednesday, July 2, 2003

Those firms using proprietary autoquote systems are encouraged to follow CBOE's lead by programming this feature into their Autoquote systems.  However, the implementation of this feature in a proprietary autoquote system may not be used earlier than the above rollout schedule.

Questions regarding systems roll out may contact Anthony Montesano at 786-7365.