



Regulatory Circular RG04-12

Date: January 26, 2004

To: CBOE Members and Member Firms

From: Equity Floor Procedure Committee

**Re: Assignment of Liability for Linkage Satisfaction Orders**

CBOE Rule 6.83(a) and Section 8(c) of the Intermarket Options Linkage Plan ("Linkage Plan") govern the handling of intermarket trade-throughs including liability for inbound Satisfaction Orders. In cases where an execution on CBOE causes a trade-through of another exchange's disseminated quotation and a Satisfaction Order is received in connection with the trade-through, liability for the Satisfaction Order (assuming none of the exceptions set forth in the Linkage Plan apply) shall be assigned as follows:

1. In the case of a trade-through involving CBOE members on both sides of the trade, the member(s) on the same side of the market as the Satisfaction Order shall be liable for execution of the Satisfaction Order.

or

2. In the case of a trade-through caused by an execution against a booked order, the member(s) who traded against the booked order shall be liable for execution of the Satisfaction Order.

For more information regarding Linkage, please review Regulatory Circulars RG03-29, RG03-48, RG03-97, and RG03-98. If you have questions regarding this circular, please contact Trading Floor Liaison (TFL) at (312) 786-4068 or Tim Watkins at (312) 786-7172.