



400 S. La Salle
Chicago, IL 60605

Regulatory Circular RG04 -22

Date: February 12, 2004

To: CBOE Members

From: Equity Floor Procedure Committee

Re: Hybrid Quote Lock Timer

Beginning February 13, 2004, the CBOE pursuant to Rule 6.45A(d) will reduce the quote lock timer in the top 100 hybrid classes to one second (from the current four seconds). In these classes, when a lock occurs lock notification messages will be sent to the involved participants immediately. If at the expiration of one second quotes are still locked, the quotes will automatically execute against each other for the full amount of the smaller of the two (locked) quote sizes.

This change will be rolled out by post. Crowds will be notified as the change is implemented.

Questions regarding this change may be directed to Anthony Montesano at (312) 786-7365 or Carole Zylius (312) 786-7174.

The top 100 classes to be rolled out are as follows:

MSFT, INTC, CSCO, LU, AWE, NT, GE, C, IBM, SMH, NOK, PFE, AMZN, SUNW, TWX, EBAY, JDSU, ORCL, JPM, SBC, AMD, AMAT, VZ, JNPR, YHOO, DELL, MOT, NEM, CPN, TXN, MU, EMC, XMSR, BRCM, QCOM, MWD, HPQ, SNDK, MO, WM, XOM, AMR, AAPL, SIRI, T, WMT, RIMM, CAT, BAC, F, TYC, HDI, RMBS, AMGN, NXTL, KLAC, MER, GM, BMY, MRK, NFLX, GS, JNJ, RFMD, LLY, GLW, NVLS, ABT, FNM, CIEN, ELN, AIG, EP, BSX, HAL, SINA, DIS, CA, UPS, AA, IMCL, KSS, COF, QLGC, FLEX, FRE, SEBL, DNA, THC, MEDI, CC, DAL, CFC, KO, FCX, PCS, BLS, IACI, WFC, EK.