



**Regulatory Circular RG04-75**

**To: CBOE Members**

**From: Legal Division**

**Date: June 23, 2004**

**Re: SEC Approval of Proposed Rule Change re Relocating Securities**

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The SEC has approved a proposed rule change, SR-CBOE-2004-05, that amends Rules 8.84 and 8.95 and grants to the MTS Committee, and not the Allocation Committee, the authority to approve the relocation of an entire trading station's securities to another trading station that is operated by the same DPM organization pursuant to a request from a DPM organization or on the Committee's own initiative.

In making a determination pursuant to this Interpretation, the MTS Committee should evaluate whether the change is in the best interests of the Exchange, and the Committee may consider any information that it believes will be of assistance to it. Factors to be considered may include, but are not limited to, any one or more of the following: performance, operational capacity of the Exchange or the DPM, efficiency, number and experience of personnel of the DPM who will be performing functions related to the trading of the applicable securities, number of securities involved in the relocation, number of market-makers affected by the relocation of the securities, and trading volume of the securities. Prior to making a decision, and except when expeditious action is required, the MTS Committee will notify the DPM organization and trading crowds affected by the relocation of the securities, and convene one or more informal meetings of the Committee with the DPM and the trading crowds to discuss the matter, or provide the DPM and the trading crowds with the opportunity to submit a written statement to the Committee.

If you have any questions regarding this rule change, please contact Jim Flynn (786-7070) or Patrick Sexton (786-7467) in the Legal Division.