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Date: November 8, 2004

Regulatory Circular RG04-112

To: Members and Member Firms

From: Legal Division and Trading Operations

Re: Linkage Plan Approval of Real Size Amendment

The SEC has approved the "Real Size" amendment to the Linkage Plan (Plan), in addition to CBOE Rule 6.80. This approval eliminates the 10-lot minimum size firm quote requirement that the Plan had imposed on all linkage orders. If our quote is displaying size less than 10 contracts, we will now be obligated to autoex and be firm for only that quote size. If our quote size is greater than 10 contracts, we will continue to provide automatic execution of inbound Principal-Acting-As-Agent (PA) orders up to our full quote size, and for Principal (P) orders we will autoex 10 contracts with the balance routed to PAR. The change to current processing as a result of this rule approval applies only when our quote size is less than ten.

Members are still obligated to comply with the trade or fade provisions of CBOE rules and the Plan with respect to P orders that exceed 10 contracts and thus have a balance that routes to PAR.

For questions relating to the above Plan changes or linkage in general, please contact Tim Watkins at (312) 786-7172, Angelo Evangelou at (312) 786-7464, or Roger Mulcahy at (312) 786-7280.