



To: Members

From: Legal Division

Date: September 7, 2006

Re: SEC Approval of Changes to Market-Maker Appointments

A rule change that modifies Market-Maker appointments under Rule 8.3 has been approved by the SEC (Release 34-54379, SR-CBOE-2006-66). A copy of the rule change is available on CBOE's website at www.cboe.com.

Specifically, Rule 8.3 has been amended to provide that in the event a Market-Maker is a nominee of a member organization or has registered the Market-Maker's membership for a member organization, the member organization with which the Market-Maker is associated can request that CBOE deem all class appointments be made to the member organization instead of to the individual Market-Maker. If such a request is made by a member organization, CBOE will consider that the submission of electronic quotations and orders will be made by and on behalf of the member organization with which the individual Market-Maker is associated. However, the individual Market-Maker will continue to have all of the obligations of a Market-Maker under CBOE rules in these circumstances. Requests should be submitted to Daniel Hustad at (312) 786-7715, or Angie Redell, Department of Market Quality Assurance, at (312) 786-7559. Additionally, if a member organization would like to have a single acronym to stream its electronic quotations, please contact Stan Leimer, Membership Department, at (312) 786-7299.

A member organization is not required to make such a request. In the event a member organization does not request that the class appointments be held by the member organization, a Market-Maker's class appointments will continue to be held in the name of the individual Market-Maker and not the member organization with which the Market-Maker is associated.

For additional information regarding this rule change, please refer to CBOE rule filing SR-CBOE-2006-66, or contact Patrick Sexton, Legal Division, at (312) 786-7467.