CBOE
CHICAGO BOARD OPTIONS EXCHANGE

Regulatory Circular RG06-112

Date: November 1, 2006

To: Members and Member Organizations

From: Regulatory Services Division

Re: Removal of Market Maker Identification from the Quote Lock Message

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Effective November 6, 2006, The Quote Lock notification message will no longer include the identity of the contra-party Market Maker(s) involved in the quote lock.

Quote Locks occur in the CBOE Hybrid system when a Market Maker's disseminated quote interacts with the disseminated quotes of other Market Makers. When each quote lock occurs, a lock notification message is sent to the involved participants. If, at the expiration of the Quote Lock timer (currently 1 second or less), the quotes are still locked, the quotes will automatically execute against each other in the full amount of the smaller of the two (locked) quote sizes.

If you have any questions about this requirement, please contact Tim MacDonald at 786-7706, or the Help Desk at 1-866-728-2263.