



400 S. La Salle
Chicago, IL 60605

Regulatory Circular RG07-19

To: Members

From: The Index Options Procedures Committee (IOPC)

Date: February 2, 2007

Re: Market-Maker("M" and "N") Orders in XEO

The Index Options Procedure Committee has determined that beginning February 7, 2007, entry of Market-Maker orders (origin M) and Non-CBOE Market-Maker orders (origin N) will be allowed for automatic execution and PAR routing in XEO.

M and N orders on the same side of the market in XEO for an account or accounts of the same beneficial owner may be entered no more frequently than once every 15 seconds.

Because booking of these order types is not currently allowed, those orders that do not automatically execute will be eligible to route to PAR. **IMPORTANT:** The un-filled balance of any M or N IOC order will automatically cancel **ONLY IF PART OF THE ORDER IS ELECTRONICALLY EXECUTED**. Those orders that are not marketable at time of receipt are not eligible for electronic execution and thus will not be automatically canceled. Instead these orders may route to PAR. Orders that route to PAR, even with an IOC contingency, are only cancelled upon manual input by the broker.

Please contact Anthony Montesano at 312-786-7365 or the CBOE Help Desk at 1-866-728-2263 with any questions regarding this circular.