



400 S. La Salle  
Chicago, IL 60605

## Regulatory Circular RG07-97

Date: September 21, 2007  
To: Members  
From: Index Option Procedures Committee  
Re: SPX Trading on Hybrid 3.0

On Tuesday, September 25, 2007, SPX, the S&P 500 Index, will be converted to the Hybrid 3.0 platform.

Hybrid 3.0 parameters in the SPX will be as follows:

- Streaming quotes are allowed from the LMM only.
- Manual quoting from crowd members is allowed via PAR and Quote Reporters.
- Intra-day, only Customer orders may rest in the book.
- Customer, Firm, Broker-Dealer, and In-Crowd market participant orders may trade with the customer book intra-day. IOC contingency is required for all non-Customer orders attempting to trade electronically with the book. There will be no joining period for Book trades thus trades will occur on a FIFO basis.
- Customer, Firm, Broker-Dealer, CBOE Market-Maker, away Market-Maker and Specialist orders are bookable prior to the open to participate in rotation. OPG contingency is required on all non-customer orders attempting to participate in the rotation. Any unfilled balance of an OPG order will be canceled at the completion of opening rotation.
- Pursuant to CBOE Rule 6.2B.01, *Modified HOSS Opening Procedures*, on VIX settlement days, the cut-off time for entry of strategy orders is 8:00 a.m. and the cut-off time for entry of non-strategy orders is 8:28 a.m.
- HAL will not be active initially.
- COA and COB will be activated on October 23, 2007 (.05 increments).
- SEC rule approval for SAL is pending.

### Summary of order types for in-crowd Market-Makers

- To participate in rotation, use orders with origin M and contingency OPG.
- To trade resting customer simple book orders, use orders with origin I and contingency IOC.
- To trade resting customer COB order (effective October 23<sup>rd</sup>), use orders with origin M and contingency IOC.
- To respond to COA auctions (effective October 23<sup>rd</sup>), use orders with origin M and contingency type AUCTION RESPONSE.

Members who use third party auto-quote systems should contact their vendor regarding the Hybrid 3.0 functionality. General questions regarding this matter may be directed to Anthony Montesano at x7365, or the Help Desk at 1-866-728-2263.