



Regulatory Circular RG08-35

To: Members  
From: Trading Operations and Legal Divisions  
Date: February 26, 2008  
Subject: Exposure Period for Crossing Orders

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CBOE Rules currently provide for a minimum exposure time of 3 seconds for crossing orders on the Hybrid System when an order entry firm (i) executes as principal against orders it represents as agent, or (ii) executes orders it represents as agent against orders solicited from members and non-member broker-dealers to transact with such orders. (*See* Interpretations and Policies .01 and .02 to Rules 6.45A and 6.45B for additional information on the exposure requirements).

However, the 3 second exposure period is *not* applicable when crossing two orders that are both for the accounts of non-broker-dealer customers (CBOE order origin code “C”). Thus, two non-broker-dealer customer orders may be entered separately into the Hybrid System by the same order entry firm to trade against each other without waiting 3 seconds.

If you have any questions on the foregoing, please contact Jennifer Lamie, Legal Division, at (312) 786-7576 or Anthony Montesano, Trading Operations, at (312) 786-7365.