CBOE
CHICAGO BOARD OPTIONS EXCHANGE

REGULATORY CIRCULAR RG08-105

DATE: September 16, 2008

TO: Members and Member Organizations

FROM: Member and Regulatory Services Division

RE: Order Origin Code Requirements

This Regulatory Circular is being issued to remind the membership of the Exchange's rules relating to the requirement to record the appropriate account origin code when accepting orders electronically, via telephone or in-person. Since various rules of trading procedure distinguish between orders of differing origin, the correct code must be recorded on **all** orders at the time of entry to insure proper execution.

Current CBOE Order Origin Codes

"b"   for the account of a broker/dealer, *including foreign broker/dealers,* even though the account may clear in the customer range at OCC

"c"   for non-broker/dealer customer account orders

"f"   for OCC clearing member firm proprietary account orders

"m"   for member market-maker orders

"n"   for orders in the account of a market-maker or specialist on another options exchange

"w"   for orders for the account of non-broker/dealer customer accounts who voluntarily have their orders categorized as broker/dealer orders for order handling, order execution and cancel fee calculation purposes (i.e. "Voluntary Professionals")[1]

"y"   for orders in the account of a specialist registered in the underlying stock at the primary exchange for trading the stock

A quick reference guide for properly marking orders is also attached.

Please be advised that failure to obtain and record the correct account origin at the time the order is received may constitute a violation of Exchange Rules 6.24 and 6.51. Clearing members and member organizations should assure that persons receiving orders are instructed to obtain and record the appropriate origin code information. Questions regarding this circular may be directed to Yvonne Sipp at (312) 786-7748.

(Regulatory Circular RG02-62, Revised)

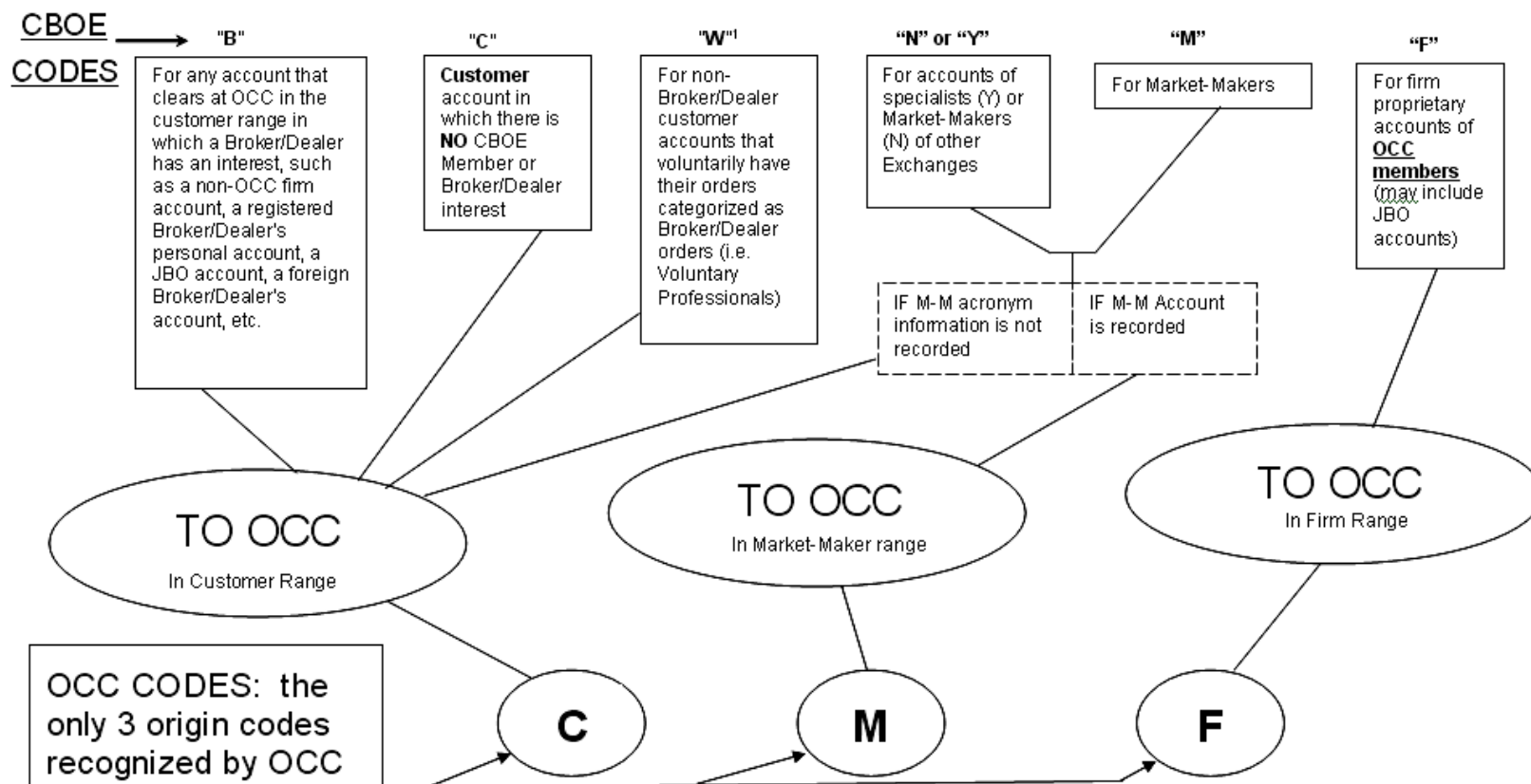[1] This origin code is not available for use in Hybrid 3.0 classes.

CBOE ORDER ORIGIN CODES

CHICAGO BOARD OPTIONS EXCHANGE

Department of Market Regulation   [Exchange Rules 6.24 and 6.51(d)]

The following **CBOE** order origin codes clear at OCC in the manner described below.

CBOE CODES

"B" — For any account that clears at OCC in the customer range in which a Broker/Dealer has an interest, such as a non-OCC firm account, a registered Broker/Dealer's personal account, a JBO account, a foreign Broker/Dealer's account, etc.

"C" — Customer account in which there is **NO** CBOE Member or Broker/Dealer interest

"W"¹ — For non-Broker/Dealer customer accounts that voluntarily have their orders categorized as Broker/Dealer orders (i.e. Voluntary Professionals)

"N" or "Y" — For accounts of specialists (Y) or Market-Makers (N) of other Exchanges

"M" — For Market-Makers

"F" — For firm proprietary accounts of **OCC members** (may include JBO accounts)

IF M-M acronym information is not recorded

IF M-M Account is recorded

TO OCC — In Customer Range

TO OCC — In Market-Maker range

TO OCC — In Firm Range

OCC CODES: the only 3 origin codes recognized by OCC

C   M   F

NOTE: As depicted above, an order for the proprietary account of a Broker/Dealer will clear at OCC in the customer range if the Broker/Dealer is not an OCC member; yet, the CBOE requires the "B" origin code. If the Broker/Dealer is an OCC member, then the proprietary order would be recorded with an "F" code.

(Call Yvonne Sipp @ 312-786-7748 regarding any questions)   RG08-105, attachment

¹The "W" origin code is not available for use in the Hybrid 3.0 classes.