



400 S. La Salle
Chicago, IL 60605

Regulatory Circular RG09-45

Date: April 3, 2009

To: Members

From: Regulatory Services & Trading Operation Divisions

Re: Hitting COB with IOC Orders

*******Reminder*******

Under Rule 6.53C, Complex Orders on the Hybrid System, the Exchange may determine which complex order origin types (i.e., non-broker-dealer public customer, broker-dealers that are not Market-Makers or specialists on an options exchange, and/or Market-Makers or specialists on an options exchange) are eligible for entry to rest in the complex order book (COB). Currently, the parameters are set as follows:

- For XSP, all order origin types are eligible for entry to rest in the COB.
- For SPX, only complex orders with a customer (C) origin code are eligible for entry to rest in the COB.
- For all other options classes, only complex orders with customer (C), firm (F), broker-dealer (B) or voluntary professional (W) origin codes are eligible for entry to rest in COB.

Market participants whose orders are not eligible to rest in COB in accordance with the above but who wish to trade against orders resting in the COB, should enter limit orders using an IOC contingency to avoid resting in COB. Otherwise, any remaining volume for a limit order that does not have an IOC contingency should be immediately cancelled after the order trades against an order resting in COB to avoid a violation of Rule 6.53C.¹

Questions regarding this matter may be directed to Craig Johnson at x7939, Anthony Montesano at x7365, Greg Burkhardt at x7531 or the Help Desk at 1-800-405-3277.

¹ An appointed Market-Maker may also trade against the COB by entering a one-sided quote (referred to as an "I" order). However, since I orders cannot contain a contingency, any unexecuted portion **will not be** automatically cancelled. Appointed Market Makers must take the additional step of immediately canceling any remaining volume after the I order trades against an order resting in the COB to avoid a violation of Rule 6.53C.