The ChicagoBoard Options Exchange

LaSalle at Van Buren
Chicago, Illinois 60605 312 786-5600

Regulatory Circular RG90-38

Date: June 28, 1990

To: The Membership

From: Legal Department

Re: CBT Exercise Privilege

By letter dated June 26, 1990, the Exchange consented to withdraw summary Rule File No. SR-CBOE-90-11, which incorporated within CBOE Rules the Exchange's existing interpretation of the meaning of the term "member of the Board of Trade of the City of Chicago" as used in the Certificate of Incorporation and the Constitution of the Exchange in respect of the membership privilege of members of the Board of Trade of the City of Chicago ("CBT"). At the same time, the Exchange filed SR-CBOE-90-21, resubmitting the interpretation for SEC review and further comment by interested parties pursuant to Section 19(b)(2) of the Exchange Act.

Inasmuch as both of the above filings express the Exchange's longstanding policy that a CBT Exerciser must individually hold all of the parts of a full CBT membership to properly apply for or remain a CBOE member, the Exchange will continue to enforce its Rules in accordance with this policy. However, from June 27th through October 26, 1990 or until the SEC acts on SR-CBOE-90-21, whichever is shorter, the Exchange will not act to deny CBOE membership to, or to terminate (or continue in effect the termination of) the CBOE membership of, any person who does not hold all of the parts of a full CBT membership solely by virtue of the fact that such person has delegated evening trading rights on the CBT.

Any questions regarding this circular may be directed to Nancy R. Crossman, First Vice President and General Counsel, at (312) 786-7502.