

Regulatory Circular RG91-72

Date: December 25, 1991

To: Members

From: Regulatory Services Division

Re: Closing Rotations on December 31, 1991

The Tax Reform Act of 1984 provides that open option positions held by market-makers at year end will be marked-to-the-market in order to calculate profits and losses for tax purposes. The Equity and Index Floor Procedure Committees have addressed the importance of this mark-to-the-market provision and have directed that, in the interest of fair and orderly determination of closing prices, a closing rotation will be held in all option classes on December 31, 1991. The rotations will begin at the close of trading in each class.

Rules of conduct relating to the establishing of mark-to-the-market values and trading rotations will be in full force and effect.

Any questions may be directed to Barbara Casey (312) 786-7712 or Jeff Schroer (312) 786-7716.