

Regulatory Circular No. #93-57

Date: October 29, 1993

To: All Members and Persons Associated with Members

From: Equity Floor Procedure Committee (EFPC)
Modified Trading System (MTS) Appointment Committee

Re: Clerks' Conduct on the Trading Floor

A number of questions have been raised concerning employees of DPM organizations execution authority for booked orders. Although some DPM employees have been issued black acronym badges to assure that the proper DPM acronym is taken by traders entering into transactions with the book, persons wearing the black badges are not members and do not have execution authority. Only the DPM wearing a member badge is authorized to execute a booked order.

The following Regulatory Circular, RG-93-42, issued on August 10, 1993, reminds all members and persons associated with members that only members and specific Exchange employees are authorized to enter into transactions on the floor of the Exchange. Clerks of market makers, floor brokers, member firms and DPMs, regardless of their function, are prohibited by Rule 6.20 from entering into trades on the Exchange floor.

Pursuant to CBOE Rule 6.20 and Interpretations and Policies thereunder, and in accordance with Exchange Policy concerning trading floor conduct, only members who have been approved to perform floor functions are authorized to enter into and execute transactions on the floor of the Exchange. Clerks and other persons employed by or associated with members are not permitted to enter into and execute transactions on the trading floor. Pursuant to Exchange Rules 6.20(b) and 17.50, Floor Officials are authorized to fine members and persons associated with members (clerks) for violations, as well as make referrals to the Exchange's Business Conduct Committee for further disciplinary action. Members who enter into transactions with persons associated with members (clerks) are also subject to fine by Floor Officials or referral to the Business Conduct Committee.

Questions regarding this memorandum may be directed to Daniel Hustad at 786-7715.