

Date: January 5, 1994

Regulatory Circular RG94-05

To: Floor Members

From: Market Performance Committee

Re: Firm Quote Obligations in Equity Options

As a result of the recent expansion of RAES to all series and all classes of options, the Market Performance Committee ("Committee") has determined to expand the application of the firm quote rule in equity option classes.

The Committee's current policy is that firm quote obligations apply to all series of the two nearest term expiration months. The Committee has determined that, effective Monday, January 24, 1994, the obligations of trading crowds under the firm quote rule will apply to all series and all expiration months of equity options, including equity LEAPS.

As a reminder, under Exchange Rule 8.51, trading crowds are obligated to assure that the market quotation which is displayed when a non-broker dealer customer order reaches the trading station is firm for at least ten (10) contracts, unless a "fast market" has been declared or the particular class is in rotation.

Any questions regarding this memorandum may be directed Daniel Hustad at 786-7715.