Regulatory Circular 95-35

Date: April 10, 1995

To: Membership

From: Department of Market Surveillance

Re: SPX RAES Eligibility Requirements/RAES Groups

It is anticipated that the Securities and Exchange Commission will approve in the near future, proposed changes to Exchange Rule 24.16 with respect to SPX RAES. Specifically, SPX RAES will operate similar to OEX RAES in that market makers wishing to participate on the system must meet the following requirements a) execute at least 75% of his market maker contracts for the preceding calendar month in SPX and b) execute at least 75% of his SPX trades for the preceding calendar month in person.   RAES trades are not included in this calculation. In addition, revised 24. 16 provides for the creation of RAES group accounts whereby members of a joint account may participate on the system at the same time and assign their RAES trades to a designated joint account or nominee acronym.   As with OEX RAES, once a member of a SPX RAES group has logged onto RAES at any time during an expiration cycle, he will be obligated to log onto SPX RAES at any time during the cycle that he enters the SPX trading crowd. With respect to individual market-makers, once a member has logged onto SPX RAES during an expiration cycle, he will be required to participate on the system each day he is present in the trading crowd until the next expiration. In addition, market-makers are required to log off the system whenever leaving the trading crowd for an extended period. Members who fail to meet the aforementioned requirements will be subject to a fee. In addition, the SPX Floor Procedure Committee may bar, restrict, or condition a member's participation on RAES for failing to meet the requirements.

The text of Exchange Rule 24.16 is available from the Exchange's Legal Department. Market-makers interested in forming a RAES account should contact the Membership Department. Questions regarding this memorandum can be directed to Karen Charleston at (312) 786-7724 or Beth Curran at (312) 786-7833.