

IMMEDIATE ATTENTION REQUIRED

DATE: April 15, 1996

TO: All Exchange Members Conducting
Business in the OEX Post

FROM: Regulatory Services Division
Telecommunications Department

RE: Pending OEX Telephone Policy

The Exchange has filed a proposed rule change with the Securities and Exchange Commission ("SEC") which would, when approved, allow qualified member organizations conducting a floor brokerage business for non-broker-dealers to accept incoming calls and to take orders over the outside telephone lines located at the OEX trading post. The proposed rule change would also allow all approved floor brokers to receive incoming calls and accept orders from other broker-dealers over outside OEX phone lines.

Current Policy

Under the policy currently in effect, members may neither receive incoming calls nor take orders over outside telephone lines in the OEX post (see Regulatory Circular RG 95-54).

Members with outside lines in the OEX post will be promptly contacted by the Exchange in order to make telecommunications modifications which are deemed necessary to facilitate the receipt of OEX orders outside of the post and member compliance with the current policy. Members who believe that telephone line changes may be necessary in order to ensure full compliance with the current policy are urged to immediately contact: Mary Bender (786-7923); Barb Casey (786-7712); or Greg Rich, Trading Floor Liaison (786-7847, floor booth 4068, pager 9000 or 689-1018) .

Applications Pending Approval of Proposed Policy

In order to expedite the processing of requests for outside telephone lines once the new policy is approved by the SEC, the Telecommunications Department will begin accepting applications on Friday, April 19, 1996 from any floor broker that is interested in having an outside telephone line installed in the OEX post for the purpose of receiving incoming calls and accepting orders. **In addition, all members who currently have a telephone line in the OEX post -- even if it is an internal telephone line to their firm's booth -- must fill out an application by no later than May 17, 1996.** Copies of the OEX telephone application may be obtained beginning April 19th at the 4th floor reception desk or by contacting Nancy Harrigan (786-7309) or Jim Cincinelli (786-7202) of the Telecommunications Department.

In addition to filing an application with the Telecommunications Department, those floor brokers who wish to receive incoming calls and to take orders, including orders from public customers, other members and/or broker-dealers, over the outside telephone lines must receive approval from the Department of Compliance and from the OEX Floor Procedure Committee. If the member is not currently approved to engage in non-member-customer business ("NMCB"), then the member will also need to obtain approval from the Membership Committee in order to accept customer orders directly from customers. Approval from the Department of Compliance, and an explanation of NMCB requirements, may be sought by contacting Larry Bresnahan (786- 7713). Once approval has been received from the Department of Compliance, and the Membership Committee if applicable, approval from the OEX Floor Procedure Committee may be sought by submitting a written request to Brian Novak, Chairman of the OEX Floor Procedure Committee, or to John Johnston at the OEX Post. John can also be reached by telephone (786-7303).

Questions concerning the current and proposed OEX telephone policy may also be directed to Tim Thompson at 786-7404.