

Regulatory Circular RG96-07

Date: January 9, 1996
To: Members and Member Firms
From: Department of Compliance
Re: Approval of CBOE Rule 9.24

The Securities and Exchange Commission has approved CBOE Rule 9.24, Telephone Solicitation and Recordkeeping. Rule 9.24 requires that members and member organizations that engage in telephone solicitations maintain a centralized list of persons that do not wish to receive telephone solicitations and to refrain from making telephone solicitations to persons named on such lists.

Additionally, members and member organizations that engage in telephone solicitation should be aware that they are also subject to other statutes and/or rules of agencies relating to telemarketing practices and the rights of telephone consumers. Particularly, pursuant to the Telephone Consumer Protection Act (1991), the Federal Communications Commission ("FCC") has developed rules to protect the rights of telephone consumers while allowing legitimate telemarketing practices. The FCC rules include a requirement that a person or entity making telephone solicitations must maintain a do-not call list. In addition, the Telemarketing and Consumer Fraud Act (1994) requires the Federal Trade Commission ("FTC") to adopt rules on abusive cold calling.

Members and member organizations that engage in telephone solicitations or "cold-calling" must also ensure that such sales practices comply with all other Exchange Rules. Any questions regarding this circular may be directed to Lawrence J. Bresnahan at (312) 786-7713. This circular is not all inclusive. A copy of the complete rule can be obtained by contacting the Exchange's Legal Department.