



Regulatory Circular RG96-92

To: Member Firms

From: Regulatory Services Division

Date: October 29, 1996

Re: **Revision** to Regulatory Circular RG96-91 Concerning Supplement to Options Disclosure Document Regarding Flexible Exchange Options ("FLEX Options")

On October 15, 1996, the Securities and Exchange Commission ("SEC") approved the Options Clearing Corporation's Supplement to the Options Disclosure Document ("ODD") regarding Flexible Exchange Options. Member Firms should be aware that Exchange Rule 9.15 requires that a customer be furnished with a copy of an amendment to the current options disclosure document regarding this product. Member Firms are required to deliver the amendment no later than at the time the first confirmation of a transaction in FLEX options is delivered to a customer. Member Firms may comply with this requirement in various ways, including but not limited to one of the following:

- (1) The firm may choose to conduct a mass mailing of the amendment to all of their approved customers who have already received the options disclosure document.
- (2) A firm may deliver the amendment to a customer, who has already received the options disclosure document, with the first confirmation of a FLEX Options transaction.

In any event, the amendment must also be delivered to any new options customers when the customer is provided with a copy of the current Options Disclosure Document.

Copies of the ODD or the supplement may be obtained by contacting the Options Clearing Corporation at (312) 322-6200.

We have confirmed with the staff of the SEC the applicability of Rule 9.15 to the distribution of the ODD Supplement concerning FLEX Options.

Questions about this memorandum may be directed to Lawrence J. Bresnahan at (312) 786-7713.