



LaSalle at Van Buren
Chicago, Illinois 60605
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Regulatory Circular #RG97-06

Date: January 13, 1996

To: Members, Floor Managers, Options Managers, Head Trade Checkers

From: Market Operations Department

Re: **Expiration Friday Trade Checking Pilot**

January Expiration Trade Checking for **all Posts will be performed on Saturday, January 18, 1997**. The Expiration Friday trade checking pilot will resume for April's expiration. The suspension of the Friday expiration trade checking pilot will allow for the following operational changes to be tested and implemented:

1. Increase equity Market Maker terminal trade input.
2. Incorporation of 1st pass matching logic into the expiration Friday matching, decreasing the number of unmatched trades by as much as 35%.
3. Refinement of member and firm intra-day trade checking on expiration Friday
4. Ensure all firms are meeting the appropriate input deadlines.

Intra-day unmatched reports will continue to be distributed to the trading crowds on expiration Friday at 12:00, 1:30 & 2:30. Members are requested to review these reports for any out-trades that can be resolved intra-day. Trade checkers will visit the crowds hourly on Friday afternoon soliciting corrections from market makers and brokers. Members utilizing Market Maker Terminals can input corrections via their terminal.

By moving the Saturday morning trade checking session to Friday afternoon, it is anticipated that many firms will significantly reduce expense as well as exposure.

The Friday expiration trade checking process is on the verge of replacing the Saturday morning trade checking schedule. Increased participation in the intra-day process by members and firms, along with the operational changes listed above should ensure its success. Thank you for your effort and cooperation in this very important matter. If you have any question regarding this issue please call Charlie Hulihan at 786-7176 or Hugh O'Neill at 786-7952.