Date: June 4, 1997

To: Members and Member Firms

From: Trading Operations

RE: Permanent Approval of Order Routing of Contingency Orders

On February 7, 1997, the Exchange issued Regulatory Circular RG 97-18 which set forth the terms of a pilot program set to expire on May 30, 1997, which described certain enhancements that the Exchange instituted regarding the Order Routing System (ORS). Pursuant to approval of the Securities and Exchange Commission ("SEC") on May 30, 1997, the changes described in Regulatory Circular RG 97-18 have become permanent. The changes which were first implemented with the pilot program starting on February 7, 1997 are described below.

The Order Routing System (ORS) was enhanced to allow the electronic processing and routing of contingency and discretionary orders. Firm and Broker/Dealer orders will be accepted in ORS as valid origin types.

The system enhancements included the following:

Eligibility of expanded order types to ORS

AON	All or None	OPG	Opening Only
IOC	Immediate or Cancel	MOC	Market on Close
FOK	Fill or Kill	CLO	Closing Only
MIN	Minimum quantity	MIT	Market if Touched
STP	Stop	NH	Not Held
STP LOSS		With Discretion	

Excluded from this release are stop limit, spreads, straddles, combos, and other multi-part orders.

- Floor Broker workstation (PAR) enhancements to allow direct routing and display of the above listed order types to PAR. A profile option is available to accept the contingency/discretionary orders on the workstation or print them on the crowd printer. Discretionary orders will not be eligible for PAR routing at DPM locations.
- RAES routing enhancements for certain order types. For orders that are otherwise

RAES eligible, market and marketable limit orders tagged with AON, IOC, FOK, or MIN are executed on RAES. For MIN orders, the total order quantity must be within the RAES volume.

- Parameter controls to allow different order types to be selectively crowd routed per member firm decisions.
- Electronic fill and cancel reporting to the originating customer destination. The fill reports automatically generate an electronic trade match entry.
- Eligibility of Firm and Broker/Dealer orders on ORS. These orders now have an ORS-id for reporting and audit trail purposes. For orders routing to OEX, Firm and Broker/Dealer origins are eligible for PAR routing; for orders routing to SPX and all equity locations, these origin types booth route.

For further information, or questions, please contact Tim Watkins at 786-7172 or Anthony Montesano at 786-7365.