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Regulatory Circular RG97-105

August 15, 1997

To: All Members
All Clearing Firms

From: Clearing Procedure Committee

Re: Morning Resolution of Unmatched Trades

The Clearing Procedure Committee would like to remind all members and clearing firms of Exchange Rules and Policies concerning the resolution of unmatched trades. CBOE Rule 6.61 states, among other things, that unmatched transactions must be reconciled promptly upon the receipt of Unmatched Trade Reports and that all such reconciliations and changes be reported to the Exchange in accordance with established procedures. The Exchange provides Unmatched Trade Reports as often as hourly and accepts additions, changes and deletions to these reports continually throughout the day. **It is therefore expected of all participants, that unmatched trades be resolved as soon as possible on trade day.**

A very limited number of unmatched transactions may remain unresolved at the end of each business day. Exchange Rule 6.61, Interpretation .01 states that all Exchange members and Clearing members shall resolve unmatched trades from the previous day's trading no later than the opening of trading on the following business day. In order to ensure that this time frame is met, the Committee has approved the attached schedule. If an Exchange member or Clearing member has an unmatched transaction or an advisory (a trade reported by another member for which such member submitted no information), adherence to the schedule is required. For example, if a participant has an unmatched transaction or advisory and the reported volume on the Exchange is less than 1,000,000 contracts, **the Member or his/her responsible representative must be present at the trading station no later than 8:15 a.m.** For the same volume level, Designated Primary Market Makers and Order Book Officials must be present no later than 8:00 am and Clearing Members no later than 7:45 a.m.

In order to remind all participants of the required attendance time, a daily announcement will be made at approximately 3:00 p.m. each day noting the next day's trade checking schedule. Trade checking times may also be obtained by dialing 786-7955 and requesting option 4. Any questions regarding this memorandum may be directed to Patrick Fay at 786-7520, Charlie Hullihan at 786-7176 or Hugh O'Neill at 786-7952.

MORNING TRADE CHECKING SCHEDULE

Reported CBOE Volume	Clearing Member Trade Checkers	OBOs and DPMs	Exchange Members
LESS THAN 1,000,000	7:45	8:00	8:15
OVER 1,000,000	7:15	7:30	8:00

Should volume be excessive or other unforeseen circumstances occur, the Exchange may prescribe an earlier attendance schedule.