

Regulatory Circular RG 97 - 162

Date: November 28, 2007

To: Members and Member Organizations

From: Department of Strategic Planning

Re: Equity FLEX (E-FLEX) Request For Quote (RFQ) and Order Handling Procedures; Procedures for Adding a Class to E-FLEX Eligible Classes

I. To expedite the Equity FLEX RFQ and order handling process, the Equity Floor Procedure Committee (EFPC) has approved the following procedures for executing an E-FLEX trade. These are effective immediately.

1. Submitting member firm receives FLEX RFQ at booth.
2. Submitting floor broker informs the trading crowd of the terms of the RFQ and with the crowd determines the end time of the Request Response Time period. The EFPC has currently established that the Request Response Time period may range from 2 to 20 minutes in length.
3. Submitting floor broker calls in the RFQ to the FLEX Post (ext. 4575) to initiate the RFQ process. RFQ is disseminated by the FLEX Post Official to CBOE Blackboard and to quote vendors via OPRA, pager network is activated.
4. The RFQ telephoned to the FLEX Post is followed by a written RFQ.
5. At the expiration of the Request Response Time period, the submitting member floor broker arrives at the trading crowd, conducts the auction, confirming the BBO (best bid or offer) with the crowd OBO.
6. Submitting broker executes the trades or indicates no interest. Market is then closed.
7. Floor broker sends written documentation of Best Bid and Offer, and trade (if any) to the FLEX Post for dissemination and input to trade match.
8. FLEX Post official disseminates Best Bid or Offer and any last sale information.
9. FLEX Post official inputs trade match data and routes FLEX trade confirmation tickets for signature by those that participated on the trades.

Members who participated in FLEX transactions during the day must attend, or have a representative on their behalf attend, a FLEX trade match session at approximately 3:15 P.M. The FLEX trade match session is held at the FLEX Post located adjacent to SPX.

II. Following are the procedures governing addition of a class to the E-FLEX eligible list.

1. Contingent upon notification to OCC, the Exchange may extend E-FLEX trading to any CBOE listed class.
2. If the crowd is willing to provide E-FLEX quotes and the FLEX post has been notified of the interest prior to 12:00 noon (CT) a class may be added to E-FLEX on that same day. If notification of interest is received after 12:00 noon, the class may be added to E-FLEX on the following day.
3. If another exchange adds a class to E-FLEX which is also listed on CBOE, it immediately becomes an E-FLEX eligible class on CBOE also.

If you have and questions regarding the above, please contact any of the staff listed below:

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