

September 30, 1998

To: Members and Member Firms

From: Index Floor Procedure Committee
Index Market Performance Committee

Re: Effective October 5, 1998
20 Up on RAES for OEX and NDX

Effective Monday October 5, 1998, all Standard & Poor's 100 ("OEX") series, with a market offer of \$10 or less will be eligible for RAES, up to 20 contracts. Additionally, all Nasdaq, Inc. 100 ("NDX") series in the front two months, offered at \$10 or less will be eligible for RAES, up to 20 contracts.

In recognition of this change, beginning October 5, 1998, pursuant to its authority under CBOE Rules 8.16(a)(iii) and 24.17(b)(iii), the Index Market Performance Committee will grant all OEX and NDX market-makers who are currently logged on RAES a one time exemption ("Exemption") from the RAES log on requirements during the current expiration cycle. **A market-maker who has logged on RAES in OEX or NDX prior to October 5 will be exempt from the RAES log on requirements in that option class whenever he or she is present in that trading crowd. However, should the market-maker log on RAES on or after October 5, 1998, the Exemption no longer will be effective, and the market-maker must log on RAES whenever he or she is present in the trading crowd.** Any market-maker who logs on RAES on or after October 5, but prior to October expiration, will maintain the same RAES log on obligations as if that was the first time he or she logged on RAES for the October expiration cycle. All procedures will revert back to normal for the November expiration cycle.

If you have any questions, please contact the CBOE Help Desk at x7100, any member of the Index Floor Procedure Committee, the Index Market Performance Committee or Andy Lowenthal at x7180 or Dan Hustad at x7715.