

Regulatory Circular RG 98-44

Date: April 30 1998

To: The Membership

From: Equity Floor Procedure Committee

Subject: Type of Orders Permitted on the Exchange's Public Limit Order Book

The Equity Floor Procedure Committee ("the Committee") has received recent member inquiries regarding the handling of contingency orders on the Exchange Floor. Exchange Rule 7.4 - Obligations for Orders states that the Committee may specify the types of orders for acceptance into the Exchange's Public Limit Order Book ("the Book"). The Committee has determined not to allow the entry of contingency orders, including all or none orders into the Book. In addition, **no member, without prior knowledge and consent from the subject customer, may change, alter, or remove a contingency placed on an order ticket such as to allow the order to be entered onto the Book.** Changing, altering, or removing a contingency placed on an order without the subject customer's prior knowledge and consent constitutes a violation of Exchange Rules 4.6 - False Statements and 7.4 - Obligations for Orders and may result in formal disciplinary action being taken against a member by the Exchange's Business Conduct Committee for violation of Exchange Rules 4.6, 7.4 and/or Exchange Rule 6.73 - Due Diligence.

Any questions regarding this memorandum may be directed to Trading Floor Liaison staff at (312) 786- 4068 or Karen Calvin in the Department of Market Regulation at (312) 786-7759.

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