

Regulatory Circular RG99-163

Date: August 20, 1999

To: Members and Member Organizations

From: Equity Floor Procedure Committee

Re: Firm Quote Requirement to Equal RAES Contract Limit

Effective Monday, August, 23, the firm quote requirement will be equal to the RAES contract limit for all equity option classes and all narrow-based index option classes.¹ The increase will apply to all series of the particular class and not only to those series which are traded on RAES. This means that for those equity option classes that have a 20 contract limit on RAES, the firm quote requirement for all series in that class (not only those series on RAES) will be 20 contracts. For those classes that are not traded on RAES, the firm quote requirement will be 10 contracts. In the event the RAES contract limit for a particular class is changed, the firm quote requirement for that class will also change to match that new RAES contract limit. For example, if the RAES contract limit of a class is changed from 10 to 20 contracts, the firm quote requirement for that class will change from 10 to 20 contracts.

Questions concerning this circular may be directed to Timothy Thompson, Legal Department, at ext. 7070 or to Patricia Cerny, Division of Market Regulation, at ext. 7722.

¹ This change was instituted by the Equity Floor Procedure Committee at its meeting today pursuant to the recent approval of the CBOE's rule filing SR-CBOE-98-53 by the Securities and Exchange Commission on August 4, 1999.