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Regulatory Circular RG99-201

Date: October 14, 1999
To: Members and Member Organizations
From: Equity Floor Procedure Committee
Re: Change in Minimum Contract Size for Variable RAES

Effective Monday, October 18, the Equity Floor Procedure Committee, in accordance with a recommendation from the Equity Market Performance Committee, has determined to change the minimum number of contracts which a market-maker must be willing to designate as his maximum on Variable RAES from one contract to ten contracts. This means that when a market-maker logs onto RAES in an equity option class or a narrow-based index option class he or she may specify a number between ten and the number representing the maximum RAES contract limit for that option class as the maximum number of contracts he or she is willing to accept on any one turn on the RAES wheel.

Since the system will not automatically adjust this volume parameter for classes which already exist in the market maker's RAES profile, market makers who currently have their individual "MAX VOL" set to a number less than 10, for any class, must increase this number to a value no less than 10, prior to the start of trading on Monday, October 18, 1999. The market maker MAX VOL field can be updated from the login screen on the RAES Public Menu, as follows:

- Enter acronym and password, and press <PF15>.
 - Tab to the desired field and overtype the existing number with a value no less than 10.
 - Press <PF15> to log into all displayed classes with the displayed volumes.
- (Note: The MAX VOL field cannot be changed for a class while the market maker is logged into that class.)

If a new class is added to the market makers profile, and a volume is not specified, the system will default the MAX VOL to 10. If a market maker attempts to enter a MAX VOL of less than 10 for any newly-added or existing class, the system will return an error message to the user.

If any member wishes to provide comment to the Equity Floor Procedure Committee about the decision to increase the minimum contract limit to ten contracts, please provide your written comments to Timothy Thompson, Legal Department (ext. 7070) or to Karen Calvin, Division of Market Regulation (ext. 7759) by next Tuesday, October 19. The Equity Floor Procedure will consider any comments received at its meeting on Thursday, October 21.

Operational questions can be directed to the RAES Supervisors at x4340, or the Help Desk at x7100.