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Regulatory Circular RG00-07

Date: January 10,2000
To: CBOE Member Firms and Service Bureaus
From: Trading Operations and the Liaison Group
Re: Conversion of Resting GTCs from Fractions to Decimals - **Option Products**

As trading in specific option symbols switches from trading in fractions to trading in decimals, the CBOE will run an internal process to appropriately convert premiums on all resting GTC orders. The CBOE will not be providing any printed or electronic reports, which list the converted orders. The ORS Retained Order Log (Report SS1030) will be available on InfoPac the morning following each business day. This report will list all resting GTCs, for both fractional and decimal classes, known to the CBOE's Order Routing System (ORS).

The table below shows the conversion routine which will be followed by CBOE's internal process. As specific options are converted from fractional trading to decimal, member firms and service bureaus should convert resting GTCs on their database in a manner consistent with that followed by the CBOE. It should be noted that if adjustments due to corporate action occur on the same evening as a decimal conversion, CBOE resting GTCs will be adjusted for corporate action prior to the decimal conversion. Questions regarding this matter may be directed to Anthony Montesano at (312) 786-7365, Marilyn Rivera at (312) 786-7606, or you may send an Email to 'decimalgrp@cboe.com'.

Note: This circular outlines the procedure for options products only. For information on the conversion of CBOE structured (equity) products, please refer to Regulatory Circular RG00-10.

Fractional Portion of Premium	Decimal Conversion if Options Trade in Nickels <u>BUY ORDERS/SELL ORDERS</u>	Decimal Conversion if Options Trade in Pennies: <u>BUY ORDERS/SELL ORDERS</u>
1/16	.05/.10	.06/.07
1/8	.10/.15	.12/.13
3/16	.15/.20	.18/.19
1/4	.25/.25	.25/.25
5/16	.30/.35	.31/.32
3/8	.35/.40	.36/.37
1/2	.50/.50	.50/.50
9/16	.55/.60	.56/.57
5/8	.60/.65	.62/.63
11/16	.65/.70	.68/.69
3/4	.75/.75	.75/.75
13/16	.80/.85	.81/.82
7/8	.85/.90	.87/.88
15/16	.90/.95	.93/.94