

DATE: June 9, 2003

TO: Members and Member Organizations

FROM: Regulatory Services Division

RE: Other Affiliations of Registered Associated Persons

On May 8, 2003, the SEC approved a CBOE rule filing which modifies the reporting requirements of member organizations for other affiliations of its registered associated persons.

Changes to Exchange Rules- 3.6A – Qualification and Registration of Certain Associated Persons and 9.4 - Other Affiliations of Registered Representatives, reduce the reporting burden of firms by eliminating the notice and Exchange approval requirement for other affiliations of certain non-supervisory Registered Associated Persons and eliminating the Exchange approval requirement for other affiliations of supervisory registered persons.

The amended rules require non-supervisory Registered Associated Persons either employed or contracted by a member and who are engaged in outside business activities, to provide written notice to the employing member and receive the member's prior written consent for such outside activities. Member firms are no longer required to seek Exchange approval for outside business activities of such Registered Associated Persons.

The amended rules further require persons registered specifically as Registered Options Principals, Sales Supervisors or Financial/Operations Principals of CBOE member organizations for which the Exchange is the Designated Examining Authority, engaged in outside and/or part-time business activities, to receive the prior written consent of the member firm employing or compensating him/her. The member firm is also required to provide prompt written notice to the Exchange's Department of Financial and Sales Practice Compliance of the outside and/or part-time business activities of such supervisory registered persons.

Questions concerning these rules should be directed to Barry J. Szurgot (312/786-7756) or Emily H. Schmitz (312/786-7056).