



Regulatory Circular RG04-80

To: Membership

**From: Equity Options Procedure Committee
Index Floor Procedure Committee**

Date: July 14, 2004

Re: Automatic Execution of Market Maker Orders in Hybrid Classes

Effective Monday July 19, 2004, all options Market-Makers (which includes CBOE Market-Makers (origin code M) and away Market-Makers (origin code N)) are eligible for auto-ex access in all classes trading on the Hybrid System.¹ CBOE Market-Makers may not enter orders designated with an M origin code in their appointed classes when they are physically present in the trading crowd. In these instances, CBOE Market-Makers should continue to use the "I" origin code designation.

Market-Maker auto-ex access is subject to the limitation that members shall neither enter nor permit the entry of multiple orders on the same side of the market in an option class within any 15-second period for an account or accounts of the same beneficial owner. Orders will be presumed to be for the account(s) of the same beneficial owner if they are not independently originated by separate Market-Makers and such orders clear into the same account or accounts with common ownership. The term "independently originated" means that a Market-Maker makes an individual determination to trade and directly communicates his/her trading determination (i.e., order) to the Exchange.

If you have any questions regarding this circular, please contact Angelo Evangelou at (312) 786-7464 or Steve Youhn 786-7416 in the Legal Division.

¹ Refer to CBOE Information Circular IC03-15 for format requirements for entering M and N orders.