



400 S. La Salle  
Chicago, IL 60605

Regulatory Circular: RG07-112

Date: November 5, 2007

To: Members

From: Equity and Index Options Procedure Committees

Re: Hybrid Auto-Ex and "Exchange Prescribed Widths" (EPWs)

Regulatory Circular RG07-104 detailed the implementation of Exchange Prescribed Widths (EPWs) for all single-list Hybrid 2.0 classes. As described in RG07-104, EPWs prevent the automatic execution of market orders when the displayed quote is wider than the designated width. In an update to that circular, effective November 6, 2007, EPWs will be adjusted to \$5-wide in **all** classes, with the exception of VIX, DJX and XSP, which are set to prevent the automatic execution of market orders when CBOE's BBO is wider than the following parameters:

- \$0.40 where the bid is less than \$2,
- \$0.60 where the bid is at least \$2 but does not exceed \$5,
- \$0.75 where the bid is more than \$5 but does not exceed \$10,
- \$1.20 where the bid is more than \$10 but does not exceed \$20, and
- \$1.50 where the bid is more than \$20.

In another update to RG07-104, orders in all Hybrid 2.0 single-list classes, with the exception of VIX, DJX, and XSP, will now be eligible for automatic execution only if they are for the displayed size or less. Orders that are larger than the displayed size will route, in their entirety, to the PAR workstation, to the BART workstation in the booth, or, at the order entry firm's discretion, to the order entry firm's booth printer.

Inquiries regarding these changes may be directed to the Help Desk at (312)786-7100 or Anthony Montesano at (312)786-7365.