

Regulatory Circular RG94-67

October 4, 1994

To: All Members  
All Options Managers

From: Charlie Hullihan

Re: As Of Add Transaction Fee

Please be advised that effective October 1, 1994 the threshold levels used in determining As Of Add transaction fees are revised to 2.4% for members and 1.2% for firms. This change is in accordance with the rule filing approved by the Securities and Exchange Commission which states that the "nominal level" of As Of adds for Members and Firms will be recalculated and become effective on October 1, 1994 using the following formulas:

Member's Rate: The exchange wide as of add rate for the month of  
September, 1994 (.95) times 2.5 equaling 2.4%.

Firm's Rate: The exchange wide as of add rate for the month of  
September, 1994 (.95) times 1.3 equaling 1.2%.

Members and firms with monthly As Of add rates in excess of the revised levels will be assessed As Of add transaction fees. Individual members and member firms who receive As Of add transaction fee charges may request verification of charges from the Exchange and may appeal the charges using procedures described in Exchange rule 2.26.

Members exceeding the "nominal level" for six consecutive months, or greatly exceeding the level in any one month will be referred to Market Regulation for investigation and possible disciplinary action. A detailed explanation to the plan is attached. Should you have any questions please call me at 786-7176 or Patrick Fay at 786-7520.

cc: Clearing Procedure Committee

CHICAGO BOARD OPTIONS EXCHANGE  
AS OF ADD TRANSACTION FEE PROGRAM

1.0 MEMBER PORTION

All members (executing broker acronyms) exceeding a monthly as of add rate the Exchange considers "nominal" are charged a fee for each as of add over the nominal limit. The fee will be invoiced from the firm that collects the member's Exchange fees.

NOMINAL RATE: 2.4% *(250% of current Exchange average)*

FEE PER AS OF ADD: \$ 10.00

2.0 FIRM PORTION

All firms exceeding the nominal monthly as of add rate are charged a fee for each as of add over that rate.

NOMINAL RATE: 1.2% *(130% of current Exchange average)*

FEE PER AS OF ADD: \$ 3.00

3.0 ANTICIPATED SCHEDULE PROGRAM

It is anticipated the maximum nominal as of add rate will become more stringent over time. It's contemplated that the readjustment schedule will be:

Date	Maximum Nominal MEMBER As Of Add Rate	Maximum Nominal FIRM As Of Add Rate
4-01-95	2.5 Times 3/95 Exchange Wide Rate	1.3 Times 3/95 Exchange Wide Rate