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Regulatory Circular RG95-27

March 15, 1995

To: Members
Options Managers

From: Patrick Fay

Re: Member "As Of Add" Fees

CBOE Rule 2.26, the "As Of Add" fee, was implemented in October 1993 in an effort to encourage submission of trades on trade date. This program increases fees for members and firms who submit a significant percentage of trades after trade date. For continual and extremely high as of add rates summary fines can also be issued (see circular RG95-14). So that all trading parties understand post-trade date submissions, I would like to clarify what is regarded as an of add. **Any trade submitted to the CBOE Trade Match system after trade date is considered an as of add.** For example, if a member does not card a trade and must add it the next morning, this is considered an as of add. The following items, often appearing as outrades the next morning, **generally do not constitute as of adds:**

- Price differences where one member changes their price to agree with the opposite side.
- Quantity differences where one side adjusts its quantity without adding a new record.
- Series differences where one side must change the series on their unmatched record.
- Broker or firm differences where one side must change the opposing name(s).

Only new records submitted to CBOE Trade Match after the day of execution are considered as of adds in the application of Rule 2.26. For March 1995 a member must submit 2.4% of his/her trades the next day for an entire month before any fees are applied. This is almost three times the average member's as of add percentage, which for February 1995 was 0.9%.

In order to assist members in identifying situations where as of adds may occur, Trade Processing delivers unmatched trade reports directly to the post daily at 1:45 p.m. These reports, available from the book staff, list all unmatched and advisory records by member. Over the next month Trade Processing will consider suggestions and have examples available of improvements to these reports. Please review the current reports and feel free to make suggestions to Hugh O'Neill at x7952, Charlie Hullihan at

x7176, me at x7520 or any member of the book staff.