

**TO: All Exchange Members, Member Organizations and  
Persons Associated with a Member or Member Organization**

**FROM: Regulatory Services Division**

**DATE: April 10, 1995**

**SUBJECT: Doing Business with the Public**

The acceptance of orders by members or persons associated with members from public customers (individuals or corporations that are not registered broker-dealers), is a form of doing business with the public. CBOE Rule 9.1 explicitly provides that "An individual regular member . . . may not transact business with the public." Rule 9.1, however, provides that "A regular member organization may transact business with the public after an application, submitted on a form prescribed by the Exchange, has been approved by the Membership Committee." The approval to transact business with the public is based on a member organization's meeting the general requirements set forth in Chapter IX of the CBOE Rules and the net capital, record keeping and reporting requirements set forth in Chapters XIII and XV of the CBOE Rules and applicable SEC Rules, which should be referred to in conjunction with this circular.

This circular is not intended to be a comprehensive description of all of the rules and requirements pertaining to conducting business with non-member customers. Other CBOE and SEC rules and policies not discussed herein may be applicable.

Any questions regarding conducting a non-member customer business may be directed to Barry J. Szurgot (312) 786-7756 or Lawrence Bresnahan at (312) 786-7713, Department of Compliance. Any questions regarding the financial responsibility requirements may be directed to Richard Lewandowski at (312) 786-7183 or Steven O'Malley at (312) 786-7925, Department of Financial Compliance.