

Regulatory Circular #RG95-77

Date: September 15, 1995
To: CBOE Membership
From: OEX Floor Procedures Committee
Re: The "Floating Four" RAES Series in OEX

Effective Monday, September 18, 1995, the following guidelines will be observed for selecting RAES series in OEX. These guidelines were approved by the OEX Floor Procedures Committee on September 13, 1995.

Whenever possible, four CALLS and four PUTS in each of the front two expiration months (16 total) will be on RAES. At the start of day, the series which closed the previous day closest to, but not above \$ 7, will begin the day on RAES.

Intra-day, the four series may change or "float" as option premiums increase or decrease, as follows:

If premiums rise above \$ 7, the series will remain on RAES until the MARKET OFFER hits \$ 10 1/8. At this point, that series will be removed from RAES, and a cheaper series will be made RAES-eligible.

If premiums fall, a series which drops below \$ 7 may be added to RAES, while the cheapest RAES-eligible series is removed.

If a RAES series trades at 1/16 intraday, that series may be taken off of RAES and replaced by a more expensive series, not to exceed \$ 7 (if available).

It should be noted that all series in the front expiration month will continue to be removed from RAES at 2:45 Central Time on expiration Fridays.

If you have any questions or comments, please contact the RAES Supervisors, Patti Bachman or Barb DeShazier, at ext. 4340/1.