

Regulatory Circular RG95-45

DATE: May 31, 1995

TO: All Members

FROM: The Department of Market Surveillance

RE: SPX RAES Eligibility Requirements

This memorandum is to remind members of the revisions to Exchange Rule 24.16 - RAES Eligibility in SPX which were recently approved by the Securities and Exchange Commission. Participating members should be familiar with and must comply with all provisions of Rule 24.16, not just those highlighted in this memorandum.

1. To be eligible to participate on SPX RAES:

--75% of a market-maker's total contract volume during the preceding calendar month period must be executed in SPX and

--75% of a market-maker's SPX transactions during the preceding calendar month period must be executed in-person

NOTE: SPX RAES transactions are not considered in making the above calculations

2. Once a member has been logged onto SPX RAES during an expiration cycle, he or she is obligated to log onto SPX RAES at any time during such cycle that he or she enters the SPX trading crowd.

3. Members are required to log off SPX RAES upon leaving the SPX trading crowd, unless the departure is for a brief interval. A brief interval generally means no more than 10 to 15 minutes.

4. Members who fail to adhere to the obligations set forth in (2) and (3) above, will be assessed the appropriate fee pursuant to the following schedule as contained in Rule 24.16:

<u>Number of Failures in a Twelve Month Period</u>	<u>Fee Amount</u>
1-3	\$100
4-6	\$250
7+	\$500

5. A fee in the amount of \$500 shall be due from any member participating in an Exchange approved SPX RAES joint or multiple nominee account which has logged onto SPX RAES and thereafter terminates participation on SPX RAES at any time during the expiration cycle unless the member contemporaneously either participates in another SPX RAES joint or multiple nominee account or terminates his or her Exchange membership. In addition to this fee, such members will also be subject to a disqualification from signing onto SPX RAES for a period of time to be determined by the SPX Floor Procedure Committee (SFPC).

6. Members will be liable for each SPX RAES trade assigned to their appropriate account and the account's clearing firm will be assessed the usual trade match and transaction fees for each such contract.

7. Members must make an application to the SFPC to obtain prospective relief from the obligations described within Rule 24.16. The SFPC may, in its sole discretion, condition the granting of relief from such obligations.