

REGULATORY CIRCULAR RG 96-04

DATE: January 22, 1996

TO: Members

From: Market Surveillance

Re: Unhedged Position and Exercise Limits

Pursuant to Exchange Rule 4.11, Interpretation .02 and Exchange Rule 4.12, all securities underlying the Exchange's listed equity options have been reviewed to determine which options are eligible for either the 25,000, 20,000, 10,500, 7,500 or 4,500 contract limit. In addition, pursuant to Exchange Rule 24.4A, all securities underlying the Exchange's listed industry index options have also been reviewed to determine which options are eligible for either the 12,000, 9,000, or 6,000 contract limit. Accounts which are directly or indirectly controlled by the same individual or entity must be aggregated to determine compliance with the position and exercise limit rules. Please refer to Position Limit Circular PL96-03 for the list of CBOE options and their applicable position and exercise limits, effective January 22, 1996.

Any questions concerning position and exercise limits should be directed to Patricia Cerny (312) 786-7722 or Karen Charleston (312) 786-7724.

Note: RG95-60 (7/19/95) Revised.